

104TH CONGRESS
2D SESSION

S. 1760

To amend part D of title IV of the Social Security Act to improve child support enforcement services, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 15, 1996

Ms. SNOWE (for herself, Mr. DOLE, Mr. BRADLEY, Mr. ROCKEFELLER, Mr. SIMPSON, Mr. KERRY, and Mrs. FEINSTEIN) introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend part D of title IV of the Social Security Act to improve child support enforcement services, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Child Support Im-
5 provement Act of 1996”.

6 **SEC. 2. TABLE OF CONTENTS.**

7 The table of contents of this Act is as follows:

Sec. 1. Short title.

Sec. 2. Table of contents.

Sec. 3. Reference to Social Security Act.

TITLE I—ELIGIBILITY FOR SERVICES; DISTRIBUTION OF PAYMENTS

- Sec. 101. State obligation to provide child support enforcement services.
- Sec. 102. Distribution of child support collections.
- Sec. 103. Privacy safeguards.
- Sec. 104. Rights to notification of hearings.

TITLE II—LOCATE AND CASE TRACKING

- Sec. 201. State case registry.
- Sec. 202. Collection and disbursement of support payments.
- Sec. 203. State directory of new hires.
- Sec. 204. Amendments concerning income withholding.
- Sec. 205. Locator information from interstate networks.
- Sec. 206. Expansion of the Federal parent locator service.
- Sec. 207. Collection and use of social security numbers for use in child support enforcement.

TITLE III—STREAMLINING AND UNIFORMITY OF PROCEDURES

- Sec. 301. Adoption of uniform State laws.
- Sec. 302. Improvements to full faith and credit for child support orders.
- Sec. 303. Administrative enforcement in interstate cases.
- Sec. 304. Use of forms in interstate enforcement.
- Sec. 305. State laws providing expedited procedures.

TITLE IV—PATERNITY ESTABLISHMENT

- Sec. 401. State laws concerning paternity establishment.
- Sec. 402. Outreach for voluntary paternity establishment.
- Sec. 403. Cooperation by applicants for and recipients of part A assistance.

TITLE V—PROGRAM ADMINISTRATION AND FUNDING

- Sec. 501. Performance-based incentives and penalties.
- Sec. 502. Federal and State reviews and audits.
- Sec. 503. Required reporting procedures.
- Sec. 504. Automated data processing requirements.
- Sec. 505. Technical assistance.
- Sec. 506. Reports and data collection by the secretary.

TITLE VI—ESTABLISHMENT AND MODIFICATION OF SUPPORT ORDERS

- Sec. 601. Simplified process for review and adjustment of child support orders.
- Sec. 602. Furnishing consumer reports for certain purposes relating to child support.
- Sec. 603. Nonliability for financial institutions providing financial records to State child support enforcement agencies in child support cases.

TITLE VII—ENFORCEMENT OF SUPPORT ORDERS

- Sec. 701. Internal Revenue Service collection of arrearages.
- Sec. 702. Authority to collect support from Federal employees.
- Sec. 703. Enforcement of child support obligations of members of the Armed Forces.

- Sec. 704. Voiding of fraudulent transfers.
- Sec. 705. Work requirement for persons owing past-due child support.
- Sec. 706. Definition of support order.
- Sec. 707. Reporting arrearages to credit bureaus.
- Sec. 708. Liens.
- Sec. 709. State law authorizing suspension of licenses.
- Sec. 710. Denial of passports for nonpayment of child support.
- Sec. 711. International support enforcement.
- Sec. 712. Financial institution data matches.
- Sec. 713. Enforcement of orders against paternal or maternal grandparents in cases of minor parents.
- Sec. 714. Nondischargeability in bankruptcy of certain debts for the support of a child.

TITLE VIII—MEDICAL SUPPORT

- Sec. 801. Correction to ERISA definition of medical child support order.
- Sec. 802. Enforcement of orders for health care coverage.

TITLE IX—ENHANCING RESPONSIBILITY AND OPPORTUNITY FOR NON-RESIDENTIAL PARENTS

- Sec. 901. Grants to States for access and visitation programs.

TITLE X—EFFECTIVE DATES AND CONFORMING AMENDMENTS

- Sec. 1001. Effective dates and conforming amendments.

1 **SEC. 3. REFERENCE TO SOCIAL SECURITY ACT.**

2 Except as otherwise specifically provided, wherever in
3 this Act an amendment is expressed in terms of an amend-
4 ment to or repeal of a section or other provision, the ref-
5 erence shall be considered to be made to that section or
6 other provision of the Social Security Act.

7 **TITLE I—ELIGIBILITY FOR SERV-** 8 **ICES; DISTRIBUTION OF PAY-** 9 **MENTS**

10 **SEC. 101. STATE OBLIGATION TO PROVIDE CHILD SUP-** 11 **PORT ENFORCEMENT SERVICES.**

12 (a) STATE PLAN REQUIREMENTS.—Section 454 (42
13 U.S.C. 654) is amended—

1 (1) by striking paragraph (4) and inserting the
2 following new paragraph:

3 “(4) provide that the State will—

4 “(A) provide services relating to the estab-
5 lishment of paternity or the establishment,
6 modification, or enforcement of child support
7 obligations, as appropriate, under the plan with
8 respect to—

9 “(i) each child for whom (I) assist-
10 ance is provided under the State program
11 funded under part A of this title, (II) ben-
12 efits or services for foster care mainte-
13 nance are provided under the State pro-
14 gram funded under part E of this title, or
15 (III) medical assistance is provided under
16 the State plan approved under title XIX,
17 unless, in accordance with paragraph (29),
18 good cause and other exceptions exist;

19 “(ii) any other child, if an individual
20 applies for such services with respect to
21 the child; and

22 “(B) enforce any support obligation estab-
23 lished with respect to—

24 “(i) a child with respect to whom the
25 State provides services under the plan; or

1 “(ii) the custodial parent of such a
2 child.”; and

3 (2) in paragraph (6)—

4 (A) by striking “provide that” and insert-
5 ing “provide that—”;

6 (B) by striking subparagraph (A) and in-
7 serting the following new subparagraph:

8 “(A) services under the plan shall be made
9 available to residents of other States on the
10 same terms as to residents of the State submit-
11 ting the plan;”;

12 (C) in subparagraph (B), by inserting “on
13 individuals not receiving assistance under any
14 State program funded under part A” after
15 “such services shall be imposed”;

16 (D) in each of subparagraphs (B), (C),
17 (D), and (E)—

18 (i) by indenting the subparagraph in
19 the same manner as, and aligning the left
20 margin of the subparagraph with the left
21 margin of, the matter inserted by subpara-
22 graph (B) of this paragraph; and

23 (ii) by striking the final comma and
24 inserting a semicolon; and

1 (E) in subparagraph (E), by indenting
 2 each of clauses (i) and (ii) 2 additional ems.

3 (b) CONTINUATION OF SERVICES FOR FAMILIES
 4 CEASING TO RECEIVE ASSISTANCE UNDER THE STATE
 5 PROGRAM FUNDED UNDER PART A.—Section 454 (42
 6 U.S.C. 654) is amended—

7 (1) by striking “and” at the end of paragraph
 8 (23);

9 (2) by striking the period at the end of para-
 10 graph (24) and inserting “; and”; and

11 (3) by adding after paragraph (24) the follow-
 12 ing new paragraph:

13 “(25) provide that if a family with respect to
 14 which services are provided under the plan ceases to
 15 receive assistance under the State program funded
 16 under part A, the State shall provide appropriate no-
 17 tice to the family and continue to provide such serv-
 18 ices, subject to the same conditions and on the same
 19 basis as in the case of other individuals to whom
 20 services are furnished under the plan, except that an
 21 application or other request to continue services
 22 shall not be required of such a family and paragraph
 23 (6)(B) shall not apply to the family.”.

24 (c) CONFORMING AMENDMENTS.—

1 (1) Section 452(b) (42 U.S.C. 652(b)) is
 2 amended by striking “454(6)” and inserting
 3 “454(4)”.

4 (2) Section 452(g)(2)(A) (42 U.S.C.
 5 652(g)(2)(A)) is amended by striking “454(6)” each
 6 place it appears and inserting “454(4)(A)(ii)”.

7 (3) Section 466(a)(3)(B) (42 U.S.C.
 8 666(a)(3)(B)) is amended by striking “in the case of
 9 overdue support which a State has agreed to collect
 10 under section 454(6)” and inserting “in any other
 11 case”.

12 (4) Section 466(e) (42 U.S.C. 666(e)) is
 13 amended by striking “paragraph (4) or (6) of sec-
 14 tion 454” and inserting “section 454(4)”.

15 **SEC. 102. DISTRIBUTION OF CHILD SUPPORT COLLEC-**
 16 **TIONS.**

17 (a) IN GENERAL.—Section 457 (42 U.S.C. 657) is
 18 amended to read as follows:

19 **“SEC. 457. DISTRIBUTION OF COLLECTED SUPPORT.**

20 “(a) IN GENERAL.—Subject to subsection (e), an
 21 amount collected on behalf of a family as support by a
 22 State pursuant to a plan approved under this part shall
 23 be distributed as follows:

1 “(1) FAMILIES RECEIVING ASSISTANCE.—In the
2 case of a family receiving assistance from the State,
3 the State shall—

4 “(A) pay to the Federal Government the
5 Federal share of the amount so collected; and

6 “(B) retain, or distribute to the family, the
7 State share of the amount so collected.

8 “(2) FAMILIES THAT FORMERLY RECEIVED AS-
9 SISTANCE.—In the case of a family that formerly re-
10 ceived assistance from the State:

11 “(A) CURRENT SUPPORT PAYMENTS.—To
12 the extent that the amount so collected does not
13 exceed the amount required to be paid to the
14 family for the month in which collected, the
15 State shall distribute the amount so collected to
16 the family.

17 “(B) PAYMENTS OF ARREARAGES.—To the
18 extent that the amount so collected exceeds the
19 amount required to be paid to the family for
20 the month in which collected, the State shall
21 distribute the amount so collected as follows:

22 “(i) DISTRIBUTION OF ARREARAGES
23 THAT ACCRUED AFTER THE FAMILY
24 CEASED TO RECEIVE ASSISTANCE.—

1 “(I) PRE-OCTOBER 1997.—Except
 2 as provided in subclause (II), the pro-
 3 visions of this section (other than sub-
 4 section (b)(1)) as in effect and applied
 5 on the day before the date of the en-
 6 actment of section 102 of the Child
 7 Support Improvement Act of 1996
 8 shall apply with respect to the dis-
 9 tribution of support arrearages that—

10 “(aa) accrued after the fam-
 11 ily ceased to receive assistance,
 12 and

13 “(bb) are collected before
 14 October 1, 1997.

15 “(II) POST-SEPTEMBER 1997.—
 16 With respect to the amount so col-
 17 lected on or after October 1, 1997 (or
 18 before such date, at the option of the
 19 State)—

20 “(aa) IN GENERAL.—The
 21 State shall first distribute the
 22 amount so collected (other than
 23 any amount described in clause
 24 (iv)) to the family to the extent
 25 necessary to satisfy any support

1 arrearages with respect to the
2 family that accrued after the
3 family ceased to receive assist-
4 ance from the State.

5 “(bb) REIMBURSEMENT OF
6 GOVERNMENTS FOR ASSISTANCE
7 PROVIDED TO THE FAMILY.—

8 After the application of division
9 (aa) and clause (ii)(II)(aa) with
10 respect to the amount so col-
11 lected, the State shall retain the
12 State share of the amount so col-
13 lected, and pay to the Federal
14 Government the Federal share
15 (as defined in subsection (c)(2))
16 of the amount so collected, but
17 only to the extent necessary to
18 reimburse amounts paid to the
19 family as assistance by the State.

20 “(cc) DISTRIBUTION OF THE
21 REMAINDER TO THE FAMILY.—

22 To the extent that neither divi-
23 sion (aa) nor division (bb) applies
24 to the amount so collected, the

1 State shall distribute the amount
2 to the family.

3 “(ii) DISTRIBUTION OF ARREARAGES
4 THAT ACCRUED BEFORE THE FAMILY RE-
5 CEIVED ASSISTANCE.—

6 “(I) PRE-OCTOBER 2000.—Except
7 as provided in subclause (II), the pro-
8 visions of this section (other than sub-
9 section (b)(1)) as in effect and applied
10 on the day before the date of the en-
11 actment of section 102 of the Child
12 Support Improvement Act of 1996
13 shall apply with respect to the dis-
14 tribution of support arrearages that—

15 “(aa) accrued before the
16 family received assistance, and

17 “(bb) are collected before
18 October 1, 2000.

19 “(II) POST-SEPTEMBER 2000.—
20 Unless, based on the report required
21 by paragraph (4), the Congress deter-
22 mines otherwise, with respect to the
23 amount so collected on or after Octo-
24 ber 1, 2000 (or before such date, at
25 the option of the State)—

1 “(aa) IN GENERAL.—The
2 State shall first distribute the
3 amount so collected (other than
4 any amount described in clause
5 (iv)) to the family to the extent
6 necessary to satisfy any support
7 arrearages with respect to the
8 family that accrued before the
9 family received assistance from
10 the State.

11 “(bb) REIMBURSEMENT OF
12 GOVERNMENTS FOR ASSISTANCE
13 PROVIDED TO THE FAMILY.—
14 After the application of clause
15 (i)(II)(aa) and division (aa) with
16 respect to the amount so col-
17 lected, the State shall retain the
18 State share of the amount so col-
19 lected, and pay to the Federal
20 Government the Federal share
21 (as defined in subsection (c)(2))
22 of the amount so collected, but
23 only to the extent necessary to
24 reimburse amounts paid to the
25 family as assistance by the State.

1 “(cc) DISTRIBUTION OF THE
2 REMAINDER TO THE FAMILY.—
3 To the extent that neither divi-
4 sion (aa) nor division (bb) applies
5 to the amount so collected, the
6 State shall distribute the amount
7 to the family.

8 “(iii) DISTRIBUTION OF ARREARAGES
9 THAT ACCRUED WHILE THE FAMILY RE-
10 CEIVED ASSISTANCE.—In the case of a
11 family described in this subparagraph, the
12 provisions of paragraph (1) shall apply
13 with respect to the distribution of support
14 arrearages that accrued while the family
15 received assistance.

16 “(iv) AMOUNTS COLLECTED PURSU-
17 ANT TO SECTION 464.—Notwithstanding
18 any other provision of this section, any
19 amount of support collected pursuant to
20 section 464 shall be retained by the State
21 to the extent past-due support has been as-
22 signed to the State as a condition of re-
23 ceiving assistance from the State, up to the
24 amount necessary to reimburse the State
25 for amounts paid to the family as assist-

1 ance by the State. The State shall pay to
 2 the Federal Government the Federal share
 3 of the amounts so retained. To the extent
 4 the amount collected pursuant to section
 5 464 exceeds the amount so retained, the
 6 State shall distribute the excess to the
 7 family.

8 “(v) ORDERING RULES FOR DISTRIBUTIONS.—For purposes of this subpara-
 9 graph, unless an earlier effective date is re-
 10 quired by this section, effective October 1,
 11 2000, the State shall treat any support ar-
 12 rearages collected as accruing in the fol-
 13 lowing order:

15 “(I) To the period after the fam-
 16 ily ceased to receive assistance.

17 “(II) To the period before the
 18 family received assistance.

19 “(III) To the period while the
 20 family was receiving assistance.

21 “(3) FAMILIES THAT NEVER RECEIVED ASSIST-
 22 ANCE.—In the case of any other family, the State
 23 shall distribute the amount so collected to the fam-
 24 ily.

1 “(4) STUDY AND REPORT.—Not later than Oc-
2 tober 1, 1998, the Secretary shall report to the Con-
3 gress the Secretary’s findings with respect to—

4 “(A) whether the distribution of post-as-
5 sistance arrearages to families has been effec-
6 tive in moving people off of welfare and keeping
7 them off of welfare;

8 “(B) whether early implementation of a
9 pre-assistance arrearage program by some
10 States has been effective in moving people off
11 of welfare and keeping them off of welfare;

12 “(C) what the overall impact has been of
13 the amendments made by the Child Support
14 Improvement Act of 1996 with respect to child
15 support enforcement in moving people off of
16 welfare and keeping them off of welfare; and

17 “(D) based on the information and data
18 the Secretary has obtained, what changes, if
19 any, should be made in the policies related to
20 the distribution of child support arrearages.

21 “(b) CONTINUATION OF ASSIGNMENTS.—Any rights
22 to support obligations, which were assigned to a State as
23 a condition of receiving assistance from the State under
24 part A and which were in effect on the day before the

1 date of the enactment of the Child Support Improvement
2 Act of 1996, shall remain assigned after such date.

3 “(c) DEFINITIONS.—As used in subsection (a):

4 “(1) ASSISTANCE.—The term ‘assistance from
5 the State’ means—

6 “(A) assistance under the State program
7 funded under part A or under the State plan
8 approved under part A of this title (as in effect
9 on the day before the date of the enactment of
10 the Child Support Improvement Act of 1996);
11 or

12 “(B) benefits under the State plan ap-
13 proved under part E of this title (as in effect
14 on the day before the date of the enactment of
15 the Child Support Improvement Act of 1996).

16 “(2) FEDERAL SHARE.—The term ‘Federal
17 share’ means that portion of the amount collected
18 resulting from the application of the Federal medical
19 assistance percentage in effect for the fiscal year in
20 which the amount is collected.

21 “(3) FEDERAL MEDICAL ASSISTANCE PERCENT-
22 AGE.—The term ‘Federal medical assistance per-
23 centage’ means—

24 “(A) the Federal medical assistance per-
25 centage (as defined in section 1118), in the case

1 of Puerto Rico, the Virgin Islands, Guam, and
2 American Samoa; or

3 “(B) the Federal medical assistance per-
4 centage (as defined in section 1905(b)) in the
5 case of any other State.

6 “(4) STATE SHARE.—The term ‘State share’
7 means 100 percent minus the Federal share.

8 “(d) HOLD HARMLESS PROVISION.—If the amounts
9 collected which could be retained by the State in the fiscal
10 year (to the extent necessary to reimburse the State for
11 amounts paid to families as assistance by the State) are
12 less than the State share of the amounts collected in fiscal
13 year 1995 (determined in accordance with section 457 as
14 in effect on the day before the date of the enactment of
15 the Child Support Improvement Act of 1996), the State
16 share for the fiscal year shall be an amount equal to the
17 State share in fiscal year 1995.

18 “(e) GAP PAYMENTS NOT SUBJECT TO DISTRIBU-
19 TION UNDER THIS SECTION.—This section shall not
20 apply to any amount collected on behalf of a family as
21 support by a State pursuant to a plan approved under this
22 part if such amount would have been distributed to the
23 family by the State under section 402(a)(28), as in effect
24 and applied on the day before the date of the enactment

1 of section 302 of the Child Support Improvement Act of
2 1996.”.

3 (b) CONFORMING AMENDMENTS.—

4 (1) Section 464(a)(1) (42 U.S.C. 664(a)(1)) is
5 amended by striking “section 457(b)(4) or (d)(3)”
6 and inserting “section 457”.

7 (2) Section 454 (42 U.S.C. 654) is amended—

8 (A) in paragraph (11)—

9 (i) by striking “(11)” and inserting
10 “(11)(A)”; and

11 (ii) by inserting after the semicolon
12 “and”; and

13 (B) by redesignating paragraph (12) as
14 subparagraph (B) of paragraph (11).

15 (c) EFFECTIVE DATES.—

16 (1) IN GENERAL.—Except as provided in para-
17 graph (2), the amendments made by this section
18 shall be effective on July 1, 1996, or earlier at the
19 State’s option.

20 (2) CONFORMING AMENDMENTS.—The amend-
21 ments made by subsection (b)(2) shall become effec-
22 tive on the date of the enactment of this Act.

1 **SEC. 103. PRIVACY SAFEGUARDS.**

2 (a) STATE PLAN REQUIREMENT.—Section 454 (42
3 U.S.C. 654), as amended by section 101(b) of this Act,
4 is amended—

5 (1) by striking “and” at the end of paragraph
6 (24);

7 (2) by striking the period at the end of para-
8 graph (25) and inserting “; and”; and

9 (3) by adding after paragraph (25) the follow-
10 ing new paragraph:

11 “(26) will have in effect safeguards, applicable
12 to all confidential information handled by the State
13 agency, that are designed to protect the privacy
14 rights of the parties, including—

15 “(A) safeguards against unauthorized use
16 or disclosure of information relating to proceed-
17 ings or actions to establish paternity, or to es-
18 tablish or enforce support;

19 “(B) prohibitions against the release of in-
20 formation on the whereabouts of 1 party to an-
21 other party against whom a protective order
22 with respect to the former party has been en-
23 tered; and

24 “(C) prohibitions against the release of in-
25 formation on the whereabouts of 1 party to an-
26 other party if the State has reason to believe

1 that the release of the information may result
2 in physical or emotional harm to the former
3 party.”.

4 (b) EFFECTIVE DATE.—The amendment made by
5 subsection (a) shall become effective on October 1, 1997.

6 **SEC. 104. RIGHTS TO NOTIFICATION OF HEARINGS.**

7 (a) IN GENERAL.—Section 454 (42 U.S.C. 654), as
8 amended by section 102(b)(2) of this Act, is amended by
9 inserting after paragraph (11) the following new para-
10 graph:

11 “(12) provide for the establishment of proce-
12 dures to require the State to provide individuals who
13 are applying for or receiving services under the State
14 plan, or who are parties to cases in which services
15 are being provided under the State plan—

16 “(A) with notice of all proceedings in
17 which support obligations might be established
18 or modified; and

19 “(B) with a copy of any order establishing
20 or modifying a child support obligation, or (in
21 the case of a petition for modification) a notice
22 of determination that there should be no change
23 in the amount of the child support award, with-
24 in 14 days after issuance of such order or de-
25 termination;”.

1 (b) EFFECTIVE DATE.—The amendment made by
 2 subsection (a) shall become effective on October 1, 1997.

3 **TITLE II—LOCATE AND CASE**
 4 **TRACKING**

5 **SEC. 201. STATE CASE REGISTRY.**

6 Section 454A, as added by section 504(a)(2) of this
 7 Act, is amended by adding at the end the following new
 8 subsections:

9 “(e) STATE CASE REGISTRY.—

10 “(1) CONTENTS.—The automated system re-
 11 quired by this section shall include a registry (which
 12 shall be known as the ‘State case registry’) that con-
 13 tains records with respect to—

14 “(A) each case in which services are being
 15 provided by the State agency under the State
 16 plan approved under this part; and

17 “(B) each support order established or
 18 modified in the State on or after October 1,
 19 1998.

20 “(2) LINKING OF LOCAL REGISTRIES.—The
 21 State case registry may be established by linking
 22 local case registries of support orders through an
 23 automated information network, subject to this sec-
 24 tion.

1 “(3) USE OF STANDARDIZED DATA ELE-
 2 MENTS.—Such records shall use standardized data
 3 elements for both parents (such as names, social se-
 4 curity numbers and other uniform identification
 5 numbers, dates of birth, and case identification
 6 numbers), and contain such other information (such
 7 as on case status) as the Secretary may require.

8 “(4) PAYMENT RECORDS.—Each case record in
 9 the State case registry with respect to which services
 10 are being provided under the State plan approved
 11 under this part and with respect to which a support
 12 order has been established shall include a record
 13 of—

14 “(A) the amount of monthly (or other peri-
 15 odic) support owed under the order, and other
 16 amounts (including arrearages, interest or late
 17 payment penalties, and fees) due or overdue
 18 under the order;

19 “(B) any amount described in subpara-
 20 graph (A) that has been collected;

21 “(C) the distribution of such collected
 22 amounts;

23 “(D) the birth date of any child for whom
 24 the order requires the provision of support; and

1 “(E) the amount of any lien imposed with
 2 respect to the order pursuant to section
 3 466(a)(4).

4 “(5) UPDATING AND MONITORING.—The State
 5 agency operating the automated system required by
 6 this section shall promptly establish and update,
 7 maintain, and regularly monitor, case records in the
 8 State case registry with respect to which services are
 9 being provided under the State plan approved under
 10 this part, on the basis of—

11 “(A) information on administrative actions
 12 and administrative and judicial proceedings and
 13 orders relating to paternity and support;

14 “(B) information obtained from compari-
 15 son with Federal, State, or local sources of in-
 16 formation;

17 “(C) information on support collections
 18 and distributions; and

19 “(D) any other relevant information.

20 “(f) INFORMATION COMPARISONS AND OTHER DIS-
 21 CLOSURES OF INFORMATION.—The State shall use the
 22 automated system required by this section to extract infor-
 23 mation from (at such times, and in such standardized for-
 24 mat or formats, as may be required by the Secretary), to
 25 share and compare information with, and to receive infor-

1 mation from, other data bases and information compari-
 2 son services, in order to obtain (or provide) information
 3 necessary to enable the State agency (or the Secretary or
 4 other State or Federal agencies) to carry out this part,
 5 subject to section 6103 of the Internal Revenue Code of
 6 1986. Such information comparison activities shall include
 7 the following:

8 “(1) FEDERAL CASE REGISTRY OF CHILD SUP-
 9 PORT ORDERS.—Furnishing to the Federal Case
 10 Registry of Child Support Orders established under
 11 section 453(h) (and update as necessary, with infor-
 12 mation including notice of expiration of orders) the
 13 minimum amount of information on child support
 14 cases recorded in the State case registry that is nec-
 15 essary to operate the registry (as specified by the
 16 Secretary in regulations).

17 “(2) FEDERAL PARENT LOCATOR SERVICE.—
 18 Exchanging information with the Federal Parent
 19 Locator Service for the purposes specified in section
 20 453.

21 “(3) TEMPORARY FAMILY ASSISTANCE AND
 22 MEDICAID AGENCIES.—Exchanging information with
 23 State agencies (of the State and of other States) ad-
 24 ministering programs funded under part A, pro-
 25 grams operated under State plans approved under

1 title XIX, and other programs designated by the
 2 Secretary, as necessary to perform State agency re-
 3 sponsibilities under this part and under such pro-
 4 grams.

5 “(4) INTRASTATE AND INTERSTATE INFORMA-
 6 TION COMPARISONS.—Exchanging information with
 7 other agencies of the State, agencies of other States,
 8 and interstate information networks, as necessary
 9 and appropriate to carry out (or assist other States
 10 to carry out) the purposes of this part.”.

11 **SEC. 202. COLLECTION AND DISBURSEMENT OF SUPPORT**
 12 **PAYMENTS.**

13 (a) STATE PLAN REQUIREMENT.—Section 454 (42
 14 U.S.C. 654), as amended by sections 101(b) and 103(a)
 15 of this Act, is amended—

16 (1) by striking “and” at the end of paragraph
 17 (25);

18 (2) by striking the period at the end of para-
 19 graph (26) and inserting “; and”; and

20 (3) by adding after paragraph (26) the follow-
 21 ing new paragraph:

22 “(27) provide that, on and after October 1,
 23 1998, the State agency will—

24 “(A) operate a State disbursement unit in
 25 accordance with section 454B; and

“(B) have sufficient State staff (consisting of State employees) and (at State option) contractors reporting directly to the State agency to—

“(i) monitor and enforce support collections through the unit in cases being enforced by the State pursuant to section 454(4) (including carrying out the automated data processing responsibilities described in section 454A(g)); and

“(ii) take the actions described in section 466(c)(1) in appropriate cases.”.

(b) ESTABLISHMENT OF STATE DISBURSEMENT UNIT.—Part D of title IV (42 U.S.C. 651–669), as amended by section 504(a)(2) of this Act, is amended by inserting after section 454A the following new section:

“SEC. 454B. COLLECTION AND DISBURSEMENT OF SUPPORT PAYMENTS.

“(a) STATE DISBURSEMENT UNIT.—

“(1) IN GENERAL.—In order for a State to meet the requirements of this section, the State agency must establish and operate a unit (which shall be known as the ‘State disbursement unit’) for the collection and disbursement of payments under support orders—

1 “(A) in all cases being enforced by the
2 State pursuant to section 454(4); and

3 “(B) in all cases not being enforced by the
4 State under this part in which the support
5 order is initially issued in the State on or after
6 January 1, 1994, and in which the wages of the
7 noncustodial parent are subject to withholding
8 pursuant to section 466(a)(8)(B).

9 “(2) OPERATION.—The State disbursement
10 unit shall be operated—

11 “(A) directly by the State agency (or 2 or
12 more State agencies under a regional coopera-
13 tive agreement), or (to the extent appropriate)
14 by a contractor responsible directly to the State
15 agency; and

16 “(B) except in cases described in para-
17 graph (1)(B), in coordination with the auto-
18 mated system established by the State pursuant
19 to section 454A.

20 “(3) LINKING OF LOCAL DISBURSEMENT
21 UNITS.—The State disbursement unit may be estab-
22 lished by linking local disbursement units through
23 an automated information network, subject to this
24 section, if the Secretary agrees that the system will
25 not cost more nor take more time to establish or op-

1 erate than a centralized system. In addition, employ-
 2 ers shall be given 1 location to which income with-
 3 holding is sent.

4 “(b) REQUIRED PROCEDURES.—The State disburse-
 5 ment unit shall use automated procedures, electronic proc-
 6 esses, and computer-driven technology to the maximum
 7 extent feasible, efficient, and economical, for the collection
 8 and disbursement of support payments, including proce-
 9 dures—

10 “(1) for receipt of payments from parents, em-
 11 ployers, and other States, and for disbursements to
 12 custodial parents and other obligees, the State agen-
 13 cy, and the agencies of other States;

14 “(2) for accurate identification of payments;

15 “(3) to ensure prompt disbursement of the cus-
 16 todial parent’s share of any payment; and

17 “(4) to furnish to any parent, upon request,
 18 timely information on the current status of support
 19 payments under an order requiring payments to be
 20 made by or to the parent.

21 “(c) TIMING OF DISBURSEMENTS.—

22 “(1) IN GENERAL.—Except as provided in para-
 23 graph (2), the State disbursement unit shall distrib-
 24 ute all amounts payable under section 457(a) within
 25 2 business days after receipt from the employer or

1 other source of periodic income, if sufficient infor-
 2 mation identifying the payee is provided.

3 “(2) PERMISSIVE RETENTION OF ARREAR-
 4 AGES.—The State disbursement unit may delay the
 5 distribution of collections toward arrearages until
 6 the resolution of any timely appeal with respect to
 7 such arrearages.

8 “(d) BUSINESS DAY DEFINED.—As used in this sec-
 9 tion, the term ‘business day’ means a day on which State
 10 offices are open for regular business.”.

11 (c) USE OF AUTOMATED SYSTEM.—Section 454A, as
 12 added by section 504(a)(2) and as amended by section 201
 13 of this Act, is amended by adding at the end the following
 14 new subsection:

15 “(g) COLLECTION AND DISTRIBUTION OF SUPPORT
 16 PAYMENTS.—

17 “(1) IN GENERAL.—The State shall use the
 18 automated system required by this section, to the
 19 maximum extent feasible, to assist and facilitate the
 20 collection and disbursement of support payments
 21 through the State disbursement unit operated under
 22 section 454B, through the performance of functions,
 23 including, at a minimum—

1 “(A) transmission of orders and notices to
2 employers (and other debtors) for the withhold-
3 ing of wages and other income—

4 “(i) within 2 business days after re-
5 ceipt of notice of, and the income source
6 subject to, such withholding from a court,
7 another State, an employer, the Federal
8 Parent Locator Service, or another source
9 recognized by the State; and

10 “(ii) using uniform formats prescribed
11 by the Secretary;

12 “(B) ongoing monitoring to promptly iden-
13 tify failures to make timely payment of support;
14 and

15 “(C) automatic use of enforcement proce-
16 dures (including procedures authorized pursu-
17 ant to section 466(c)) if payments are not time-
18 ly made.

19 “(2) BUSINESS DAY DEFINED.—As used in
20 paragraph (1), the term ‘business day’ means a day
21 on which State offices are open for regular busi-
22 ness.”.

23 (d) EFFECTIVE DATES.—

1 (1) IN GENERAL.—Except as provided in para-
 2 graph (2), the amendments made by this section
 3 shall become effective on October 1, 1998.

4 (2) LIMITED EXCEPTION TO UNIT HANDLING
 5 PAYMENTS.—Notwithstanding section 454B(b)(1) of
 6 the Social Security Act, as added by this section,
 7 any State which, as of the date of the enactment of
 8 this Act, processes the receipt of child support pay-
 9 ments through local courts, and, as of March 21,
 10 1996, such courts were not funded under part D of
 11 title IV of the Social Security Act, may, at the op-
 12 tion of the State, continue to process through Sep-
 13 tember 30, 1999, such payments through such
 14 courts as processed such payments on or before such
 15 date of enactment.

16 **SEC. 203. STATE DIRECTORY OF NEW HIRES.**

17 (a) STATE PLAN REQUIREMENT.—Section 454 (42
 18 U.S.C. 654), as amended by sections 101(b), 103(a) and
 19 202(a) of this Act, is amended—

20 (1) by striking “and” at the end of paragraph
 21 (26);

22 (2) by striking the period at the end of para-
 23 graph (27) and inserting “; and”; and

24 (3) by adding after paragraph (27) the follow-
 25 ing new paragraph:

1 “(28) provide that, on and after October 1,
 2 1997, the State will operate a State Directory of
 3 New Hires in accordance with section 453A.”.

4 (b) STATE DIRECTORY OF NEW HIRES.—Part D of
 5 title IV (42 U.S.C. 651–669) is amended by inserting
 6 after section 453 the following new section:

7 **“SEC. 453A. STATE DIRECTORY OF NEW HIRES.**

8 “(a) ESTABLISHMENT.—

9 “(1) IN GENERAL.—

10 “(A) REQUIREMENT FOR STATES THAT
 11 HAVE NO DIRECTORY.—Except as provided in
 12 subparagraph (B), not later than October 1,
 13 1997, each State shall establish an automated
 14 directory (to be known as the ‘State Directory
 15 of New Hires’) which shall contain information
 16 supplied in accordance with subsection (b) by
 17 employers on each newly hired employee.

18 “(B) STATES WITH NEW HIRE REPORTING
 19 IN EXISTENCE.—A State which has a new hire
 20 reporting law in existence on the date of the en-
 21 actment of this section may continue to operate
 22 under the State law, but the State must meet
 23 the requirements of subsection (g)(2) not later
 24 than October 1, 1997, and the requirements of

1 this section (other than subsection (g)(2)) not
2 later than October 1, 1998.

3 “(2) DEFINITIONS.—As used in this section:

4 “(A) EMPLOYEE.—The term ‘employee’—

5 “(i) means an individual who is an
6 employee within the meaning of chapter 24
7 of the Internal Revenue Code of 1986; and

8 “(ii) does not include an employee of
9 a Federal or State agency performing in-
10 telligence or counterintelligence functions,
11 if the head of such agency has determined
12 that reporting pursuant to paragraph (1)
13 with respect to the employee could endan-
14 ger the safety of the employee or com-
15 promise an ongoing investigation or intel-
16 ligence mission.

17 “(B) EMPLOYER.—

18 “(i) IN GENERAL.—The term ‘em-
19 ployer’ has the meaning given such term in
20 section 3401(d) of the Internal Revenue
21 Code of 1986 and includes any govern-
22 mental entity and any labor organization.

23 “(ii) LABOR ORGANIZATION.—The
24 term ‘labor organization’ shall have the
25 meaning given such term in section 2(5) of

the National Labor Relations Act, and includes any entity (also known as a ‘hiring hall’) which is used by the organization and an employer to carry out requirements described in section 8(f)(3) of such Act of an agreement between the organization and the employer.

“(b) EMPLOYER INFORMATION.—

“(1) REPORTING REQUIREMENT.—

“(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), each employer shall furnish to the Directory of New Hires of the State in which a newly hired employee works, a report that contains the name, address, and social security number of the employee, and the name and address of, and identifying number assigned under section 6109 of the Internal Revenue Code of 1986 to, the employer.

“(B) MULTISTATE EMPLOYERS.—An employer that has employees who are employed in 2 or more States and that transmits reports magnetically or electronically may comply with subparagraph (A) by designating 1 State in which such employer has employees to which the employer will transmit the report described

in subparagraph (A), and transmitting such report to such State. Any employer that transmits reports pursuant to this subparagraph shall notify the Secretary in writing as to which State such employer designates for the purpose of sending reports.

“(C) FEDERAL GOVERNMENT EMPLOYERS.—Any department, agency, or instrumentality of the United States shall comply with subparagraph (A) by transmitting the report described in subparagraph (A) to the National Directory of New Hires established pursuant to section 453.

“(2) TIMING OF REPORT.—Each State may provide the time within which the report required by paragraph (1) shall be made with respect to an employee, but such report shall be made—

“(A) not later than 20 days after the date the employer hires the employee; or

“(B) in the case of an employer transmitting reports magnetically or electronically, by 2 monthly transmissions (if necessary) not less than 12 days nor more than 16 days apart.

“(c) REPORTING FORMAT AND METHOD.—Each report required by subsection (b) shall be made on a W—

1 4 form or, at the option of the employer, an equivalent
 2 form, and may be transmitted by 1st class mail, magneti-
 3 cally, or electronically.

4 “(d) CIVIL MONEY PENALTIES ON NONCOMPLYING
 5 EMPLOYERS.—The State shall have the option to set a
 6 State civil money penalty which shall be less than—

7 “(1) \$25; or

8 “(2) \$500 if, under State law, the failure is the
 9 result of a conspiracy between the employer and the
 10 employee to not supply the required report or to
 11 supply a false or incomplete report.

12 “(e) ENTRY OF EMPLOYER INFORMATION.—Infor-
 13 mation shall be entered into the data base maintained by
 14 the State Directory of New Hires within 5 business days
 15 of receipt from an employer pursuant to subsection (b).

16 “(f) INFORMATION COMPARISONS.—

17 “(1) IN GENERAL.—Not later than May 1,
 18 1998, an agency designated by the State shall, di-
 19 rectly or by contract, conduct automated compari-
 20 sons of the social security numbers reported by em-
 21 ployers pursuant to subsection (b) and the social se-
 22 curity numbers appearing in the records of the State
 23 case registry for cases being enforced under the
 24 State plan.

1 “(2) NOTICE OF MATCH.—When an information
2 comparison conducted under paragraph (1) reveals a
3 match with respect to the social security number of
4 an individual required to provide support under a
5 support order, the State Directory of New Hires
6 shall provide the agency administering the State
7 plan approved under this part of the appropriate
8 State with the name, address, and social security
9 number of the employee to whom the social security
10 number is assigned, and the name and address of,
11 and identifying number assigned under section 6109
12 of the Internal Revenue Code of 1986 to, the em-
13 ployer.

14 “(g) TRANSMISSION OF INFORMATION.—

15 “(1) TRANSMISSION OF WAGE WITHHOLDING
16 NOTICES TO EMPLOYERS.—Within 2 business days
17 after the date information regarding a newly hired
18 employee is entered into the State Directory of New
19 Hires, the State agency enforcing the employee’s
20 child support obligation shall transmit a notice to
21 the employer of the employee directing the employer
22 to withhold from the wages of the employee an
23 amount equal to the monthly (or other periodic)
24 child support obligation (including any past due sup-
25 port obligation) of the employee, unless the employ-

1 ee's wages are not subject to withholding pursuant
2 to section 466(b)(3).

3 “(2) TRANSMISSIONS TO THE NATIONAL DIREC-
4 TORY OF NEW HIRES.—

5 “(A) NEW HIRE INFORMATION.—Within 3
6 business days after the date information re-
7 garding a newly hired employee is entered into
8 the State Directory of New Hires, the State Di-
9 rectory of New Hires shall furnish the informa-
10 tion to the National Directory of New Hires.

11 “(B) WAGE AND UNEMPLOYMENT COM-
12 PENSATION INFORMATION.—The State Direc-
13 tory of New Hires shall, on a quarterly basis,
14 furnish to the National Directory of New Hires
15 extracts of the reports required under section
16 303(a)(6) to be made to the Secretary of Labor
17 concerning the wages and unemployment com-
18 pensation paid to individuals, by such dates, in
19 such format, and containing such information
20 as the Secretary of Health and Human Services
21 shall specify in regulations.

22 “(3) BUSINESS DAY DEFINED.—As used in this
23 subsection, the term ‘business day’ means a day on
24 which State offices are open for regular business.

25 “(h) OTHER USES OF NEW HIRE INFORMATION.—

1 “(1) LOCATION OF CHILD SUPPORT OBLI-
 2 GORS.—The agency administering the State plan ap-
 3 proved under this part shall use information received
 4 pursuant to subsection (f)(2) to locate individuals
 5 for purposes of establishing paternity and establish-
 6 ing, modifying, and enforcing child support obliga-
 7 tions.

8 “(2) VERIFICATION OF ELIGIBILITY FOR CER-
 9 TAIN PROGRAMS.—A State agency responsible for
 10 administering a program specified in section 1137(b)
 11 shall have access to information reported by employ-
 12 ers pursuant to subsection (b) of this section for
 13 purposes of verifying eligibility for the program.

14 “(3) ADMINISTRATION OF EMPLOYMENT SECU-
 15 RITY AND WORKERS’ COMPENSATION.—State agen-
 16 cies operating employment security and workers’
 17 compensation programs shall have access to informa-
 18 tion reported by employers pursuant to subsection
 19 (b) for the purposes of administering such pro-
 20 grams.”.

21 (c) QUARTERLY WAGE REPORTING.—Section
 22 1137(a)(3) (42 U.S.C. 1320b–7(a)(3)) is amended—

23 (1) by inserting “(including State and local gov-
 24 ernmental entities and labor organizations (as de-

1 fined in section 453A(a)(2)(B)(iii))” after “employ-
 2 ers”; and

3 (2) by inserting “, and except that no report
 4 shall be filed with respect to an employee of a State
 5 or local agency performing intelligence or counter-
 6 intelligence functions, if the head of such agency has
 7 determined that filing such a report could endanger
 8 the safety of the employee or compromise an ongoing
 9 investigation or intelligence mission” after
 10 “paragraph (2)”.

11 **SEC. 204. AMENDMENTS CONCERNING INCOME WITHHOLD-**
 12 **ING.**

13 (a) MANDATORY INCOME WITHHOLDING.—

14 (1) IN GENERAL.—Section 466(a)(1) (42
 15 U.S.C. 666(a)(1)) is amended to read as follows:

16 “(1)(A) Procedures described in subsection (b)
 17 for the withholding from income of amounts payable
 18 as support in cases subject to enforcement under the
 19 State plan.

20 “(B) Procedures under which the wages of a
 21 person with a support obligation imposed by a sup-
 22 port order issued (or modified) in the State before
 23 October 1, 1996, if not otherwise subject to with-
 24 holding under subsection (b), shall become subject to
 25 withholding as provided in subsection (b) if arrear-

1 ages occur, without the need for a judicial or admin-
2 istrative hearing.”.

3 (2) CONFORMING AMENDMENTS.—

4 (A) Section 466(b) (42 U.S.C. 666(b)) is
5 amended in the matter preceding paragraph
6 (1), by striking “subsection (a)(1)” and insert-
7 ing “subsection (a)(1)(A)”.

8 (B) Section 466(b)(4) (42 U.S.C.
9 666(b)(4)) is amended to read as follows:

10 “(4)(A) Such withholding must be carried out
11 in full compliance with all procedural due process re-
12 quirements of the State, and the State must send
13 notice to each noncustodial parent to whom para-
14 graph (1) applies—

15 “(i) that the withholding has commenced;

16 and

17 “(ii) of the procedures to follow if the non-
18 custodial parent desires to contest such with-
19 holding on the grounds that the withholding or
20 the amount withheld is improper due to a mis-
21 take of fact.

22 “(B) The notice under subparagraph (A) of this
23 paragraph shall include the information provided to
24 the employer under paragraph (6)(A).”.

1 (C) Section 466(b)(5) (42 U.S.C.
2 666(b)(5)) is amended by striking all that fol-
3 lows “administered by” and inserting “the
4 State through the State disbursement unit es-
5 tablished pursuant to section 454B, in accord-
6 ance with the requirements of section 454B.”.

7 (D) Section 466(b)(6)(A) (42 U.S.C.
8 666(b)(6)(A)) is amended—

9 (i) in clause (i), by striking “to the
10 appropriate agency” and all that follows
11 and inserting “to the State disbursement
12 unit within 5 business days after the date
13 the amount would (but for this subsection)
14 have been paid or credited to the employee,
15 for distribution in accordance with this
16 part. The employer shall comply with the
17 procedural rules relating to income with-
18 holding of the State in which the employee
19 works, regardless of the State where the
20 notice originates.”.

21 (ii) in clause (ii), by inserting “be in
22 a standard format prescribed by the Sec-
23 retary, and” after “shall”; and

24 (iii) by adding at the end the follow-
25 ing new clause:

1 “(iii) The State shall require any employer who
 2 fails to make any payment required in accordance
 3 with clause (i) within the 5-business day period de-
 4 scribed therein to pay the State a \$1,000 penalty.
 5 The State shall expend all penalties collected in ac-
 6 cordance with this clause for the operation of the
 7 State plan approved under section 454, not later
 8 than the end of the calendar quarter following the
 9 calendar quarter in which collected.

10 “(iv) As used in this subparagraph, the term
 11 ‘business day’ means a day on which State offices
 12 are open for regular business.”.

13 (E) Section 466(b) (42 U.S.C. 666(b)) is
 14 amended by adding at the end the following
 15 new paragraph:

16 “(11) Procedures under which the agency ad-
 17 ministering the State plan approved under this part
 18 may execute a withholding order without advance
 19 notice to the obligor, including issuing the withhold-
 20 ing order through electronic means.”.

21 (b) CONFORMING AMENDMENT.—Section 466(c) (42
 22 U.S.C. 666(c)) is repealed.

1 **SEC. 205. LOCATOR INFORMATION FROM INTERSTATE NET-**
 2 **WORKS.**

3 Section 466(a) (42 U.S.C. 666(a)) is amended by
 4 adding at the end the following new paragraph:

5 “(12) LOCATOR INFORMATION FROM INTER-
 6 STATE NETWORKS.—Procedures to ensure that all
 7 Federal and State agencies conducting activities
 8 under this part have access to any system used by
 9 the State to locate an individual for purposes relat-
 10 ing to motor vehicles or law enforcement.”.

11 **SEC. 206. EXPANSION OF THE FEDERAL PARENT LOCATOR**
 12 **SERVICE.**

13 (a) EXPANDED AUTHORITY TO LOCATE INDIVID-
 14 UALS AND ASSETS.—Section 453 (42 U.S.C. 653) is
 15 amended—

16 (1) in subsection (a), by striking all that follows
 17 “subsection (c))” and inserting “, for the purpose of
 18 establishing parentage, establishing, setting the
 19 amount of, modifying, or enforcing child support ob-
 20 ligations, or enforcing child custody or visitation or-
 21 ders—

22 “(1) information on, or facilitating the discov-
 23 ery of, the location of any individual—

24 “(A) who is under an obligation to pay
 25 child support or provide child custody or visita-
 26 tion rights;

1 “(B) against whom such an obligation is
2 sought;

3 “(C) to whom such an obligation is owed,
4 including the individual’s social security number (or
5 numbers), most recent address, and the name, ad-
6 dress, and employer identification number of the in-
7 dividual’s employer;

8 “(2) information on the individual’s wages (or
9 other income) from, and benefits of, employment (in-
10 cluding rights to or enrollment in group health care
11 coverage); and

12 “(3) information on the type, status, location,
13 and amount of any assets of, or debts owed by or
14 to, any such individual.”; and

15 (2) in subsection (b)—

16 (A) in the matter preceding paragraph (1),
17 by striking “social security” and all that follows
18 through “absent parent” and inserting “infor-
19 mation described in subsection (a)”;

20 (B) in the flush paragraph at the end, by
21 adding the following: “No information shall be
22 disclosed to any person if the State has notified
23 the Secretary that the State has reasonable evi-
24 dence of domestic violence or child abuse and
25 the disclosure of such information could be

1 harmful to the custodial parent or the child of
 2 such parent. Information received or transmit-
 3 ted pursuant to this section shall be subject to
 4 the safeguard provisions contained in section
 5 454(26).”.

6 (b) AUTHORIZED PERSON FOR INFORMATION RE-
 7 GARDING VISITATION RIGHTS.—Section 453(c) (42
 8 U.S.C. 653(c)) is amended—

9 (1) in paragraph (1), by striking “support” and
 10 inserting “support or to seek to enforce orders pro-
 11 viding child custody or visitation rights”; and

12 (2) in paragraph (2), by striking “, or any
 13 agent of such court; and” and inserting “or to issue
 14 an order against a resident parent for child custody
 15 or visitation rights, or any agent of such court;”.

16 (c) REIMBURSEMENT FOR INFORMATION FROM FED-
 17 ERAL AGENCIES.—Section 453(e)(2) (42 U.S.C.
 18 653(e)(2)) is amended in the 4th sentence by inserting
 19 “in an amount which the Secretary determines to be rea-
 20 sonable payment for the information exchange (which
 21 amount shall not include payment for the costs of obtain-
 22 ing, compiling, or maintaining the information)” before
 23 the period.

1 (d) REIMBURSEMENT FOR REPORTS BY STATE
 2 AGENCIES.—Section 453 (42 U.S.C. 653) is amended by
 3 adding at the end the following new subsection:

4 “(g) REIMBURSEMENT FOR REPORTS BY STATE
 5 AGENCIES.—The Secretary may reimburse Federal and
 6 State agencies for the costs incurred by such entities in
 7 furnishing information requested by the Secretary under
 8 this section in an amount which the Secretary determines
 9 to be reasonable payment for the information exchange
 10 (which amount shall not include payment for the costs of
 11 obtaining, compiling, or maintaining the information).”.

12 (e) CONFORMING AMENDMENTS.—

13 (1) Sections 452(a)(9), 453(a), 453(b), 463(a),
 14 463(e), and 463(f) (42 U.S.C. 652(a)(9), 653(a),
 15 653(b), 663(a), 663(e), and 663(f)) are each amend-
 16 ed by inserting “Federal” before “Parent” each
 17 place such term appears.

18 (2) Section 453 (42 U.S.C. 653) is amended in
 19 the heading by adding “FEDERAL” before “PAR-
 20 ENT”.

21 (f) NEW COMPONENTS.—Section 453 (42 U.S.C.
 22 653), as amended by subsection (d) of this section, is
 23 amended by adding at the end the following new sub-
 24 sections:

1 “(h) FEDERAL CASE REGISTRY OF CHILD SUPPORT
2 ORDERS.—

3 “(1) IN GENERAL.—Not later than October 1,
4 1998, in order to assist States in administering pro-
5 grams under State plans approved under this part
6 and programs funded under part A, and for the
7 other purposes specified in this section, the Sec-
8 retary shall establish and maintain in the Federal
9 Parent Locator Service an automated registry
10 (which shall be known as the ‘Federal Case Registry
11 of Child Support Orders’), which shall contain ab-
12 stracts of support orders and other information de-
13 scribed in paragraph (2) with respect to each case
14 in each State case registry maintained pursuant to
15 section 454A(e), as furnished (and regularly up-
16 dated), pursuant to section 454A(f), by State agen-
17 cies administering programs under this part.

18 “(2) CASE INFORMATION.—The information re-
19 ferred to in paragraph (1) with respect to a case
20 shall be such information as the Secretary may
21 specify in regulations (including the names, social
22 security numbers or other uniform identification
23 numbers, and State case identification numbers) to
24 identify the individuals who owe or are owed support
25 (or with respect to or on behalf of whom support ob-

1 ligations are sought to be established), and the State
2 or States which have the case.

3 “(i) NATIONAL DIRECTORY OF NEW HIRES.—

4 “(1) IN GENERAL.—In order to assist States in
5 administering programs under State plans approved
6 under this part and programs funded under part A,
7 and for the other purposes specified in this section,
8 the Secretary shall, not later than October 1, 1997,
9 establish and maintain in the Federal Parent Loca-
10 tor Service an automated directory to be known as
11 the National Directory of New Hires, which shall
12 contain the information supplied pursuant to section
13 453A(g)(2).

14 “(2) ENTRY OF DATA.—Information shall be
15 entered into the data base maintained by the Na-
16 tional Directory of New Hires within 2 business
17 days of receipt pursuant to section 453A(g)(2).

18 “(3) ADMINISTRATION OF FEDERAL TAX
19 LAWS.—The Secretary of the Treasury shall have
20 access to the information in the National Directory
21 of New Hires for purposes of administering section
22 32 of the Internal Revenue Code of 1986, or the ad-
23 vance payment of the earned income tax credit
24 under section 3507 of such Code, and verifying a
25 claim with respect to employment in a tax return.

1 “(4) LIST OF MULTISTATE EMPLOYERS.—The
 2 Secretary shall maintain within the National Direc-
 3 tory of New Hires a list of multistate employers that
 4 report information regarding newly hired employees
 5 pursuant to section 453A(b)(1)(B), and the State
 6 which each such employer has designated to receive
 7 such information.

8 “(j) INFORMATION COMPARISONS AND OTHER DIS-
 9 CLOSURES.—

10 “(1) VERIFICATION BY SOCIAL SECURITY AD-
 11 MINISTRATION.—

12 “(A) IN GENERAL.—The Secretary shall
 13 transmit information on individuals and em-
 14 ployers maintained under this section to the So-
 15 cial Security Administration to the extent nec-
 16 essary for verification in accordance with sub-
 17 paragraph (B).

18 “(B) VERIFICATION BY SSA.—The Social
 19 Security Administration shall verify the accu-
 20 racy of, correct, or supply to the extent pos-
 21 sible, and report to the Secretary, the following
 22 information supplied by the Secretary pursuant
 23 to subparagraph (A):

24 “(i) The name, social security num-
 25 ber, and birth date of each such individual.

1 “(ii) The employer identification num-
2 ber of each such employer.

3 “(2) INFORMATION COMPARISONS.—For the
4 purpose of locating individuals in a paternity estab-
5 lishment case or a case involving the establishment,
6 modification, or enforcement of a support order, the
7 Secretary shall—

8 “(A) compare information in the National
9 Directory of New Hires against information in
10 the support case abstracts in the Federal Case
11 Registry of Child Support Orders not less often
12 than every 2 business days; and

13 “(B) within 2 business days after such a
14 comparison reveals a match with respect to an
15 individual, report the information to the State
16 agency responsible for the case.

17 “(3) INFORMATION COMPARISONS AND DISCLO-
18 SURES OF INFORMATION IN ALL REGISTRIES FOR
19 TITLE IV PROGRAM PURPOSES.—To the extent and
20 with the frequency that the Secretary determines to
21 be effective in assisting States to carry out their re-
22 sponsibilities under programs operated under this
23 part and programs funded under part A, the Sec-
24 retary shall—

“(A) compare the information in each component of the Federal Parent Locator Service maintained under this section against the information in each other such component (other than the comparison required by paragraph (2)), and report instances in which such a comparison reveals a match with respect to an individual to State agencies operating such programs; and

“(B) disclose information in such registries to such State agencies.

“(4) PROVISION OF NEW HIRE INFORMATION TO THE SOCIAL SECURITY ADMINISTRATION.—The National Directory of New Hires shall provide the Commissioner of Social Security with all information in the National Directory, which shall be used to determine the accuracy of payments under the supplemental security income program under title XVI and in connection with benefits under title II.

“(5) RESEARCH.—The Secretary may provide access to information reported by employers pursuant to section 453A(b) for research purposes found by the Secretary to be likely to contribute to achieving the purposes of part A or this part, but without personal identifiers.

1 “(k) FEES.—

2 “(1) FOR SSA VERIFICATION.—The Secretary
3 shall reimburse the Commissioner of Social Security,
4 at a rate negotiated between the Secretary and the
5 Commissioner, for the costs incurred by the Com-
6 missioner in performing the verification services de-
7 scribed in subsection (j).

8 “(2) FOR INFORMATION FROM STATE DIREC-
9 TORIES OF NEW HIRES.—The Secretary shall reim-
10 burse costs incurred by State directories of new
11 hires in furnishing information as required by sub-
12 section (j)(3), at rates which the Secretary deter-
13 mines to be reasonable (which rates shall not include
14 payment for the costs of obtaining, compiling, or
15 maintaining such information).

16 “(3) FOR INFORMATION FURNISHED TO STATE
17 AND FEDERAL AGENCIES.—A State or Federal agen-
18 cy that receives information from the Secretary pur-
19 suant to this section shall reimburse the Secretary
20 for costs incurred by the Secretary in furnishing the
21 information, at rates which the Secretary determines
22 to be reasonable (which rates shall include payment
23 for the costs of obtaining, verifying, maintaining,
24 and comparing the information).

1 “(l) RESTRICTION ON DISCLOSURE AND USE.—In-
 2 formation in the Federal Parent Locator Service, and in-
 3 formation resulting from comparisons using such informa-
 4 tion, shall not be used or disclosed except as expressly pro-
 5 vided in this section, subject to section 6103 of the Inter-
 6 nal Revenue Code of 1986.

7 “(m) INFORMATION INTEGRITY AND SECURITY.—
 8 The Secretary shall establish and implement safeguards
 9 with respect to the entities established under this section
 10 designed to—

11 “(1) ensure the accuracy and completeness of
 12 information in the Federal Parent Locator Service;
 13 and

14 “(2) restrict access to confidential information
 15 in the Federal Parent Locator Service to authorized
 16 persons, and restrict use of such information to au-
 17 thorized purposes.

18 “(n) FEDERAL GOVERNMENT REPORTING.—Each
 19 department, agency, and instrumentality of the United
 20 States shall on a quarterly basis report to the Federal
 21 Parent Locator Service the name and social security num-
 22 ber of each employee and the wages paid to the employee
 23 during the previous quarter, except that such a report
 24 shall not be filed with respect to an employee of a depart-
 25 ment, agency, or instrumentality performing intelligence

1 or counterintelligence functions, if the head of such de-
 2 partment, agency, or instrumentality has determined that
 3 filing such a report could endanger the safety of the em-
 4 ployee or compromise an ongoing investigation or intel-
 5 ligence mission.”.

6 (g) CONFORMING AMENDMENTS.—

7 (1) TO PART D OF TITLE IV OF THE SOCIAL SE-
 8 CURITY ACT.—

9 (A) Section 454(8)(B) (42 U.S.C.
 10 654(8)(B)) is amended to read as follows:

11 “(B) the Federal Parent Locator Service
 12 established under section 453;”.

13 (B) Section 454(13) (42 U.S.C.654(13)) is
 14 amended by inserting “and provide that infor-
 15 mation requests by parents who are residents of
 16 other States be treated with the same priority
 17 as requests by parents who are residents of the
 18 State submitting the plan” before the semi-
 19 colon.

20 (2) TO FEDERAL UNEMPLOYMENT TAX ACT.—
 21 Section 3304(a)(16) of the Internal Revenue Code of
 22 1986 is amended—

23 (A) by striking “Secretary of Health, Edu-
 24 cation, and Welfare” each place such term ap-

1 pears and inserting “Secretary of Health and
2 Human Services”;

3 (B) in subparagraph (B), by striking
4 “such information” and all that follows and in-
5 serting “information furnished under subpara-
6 graph (A) or (B) is used only for the purposes
7 authorized under such subparagraph;”;

8 (C) by striking “and” at the end of sub-
9 paragraph (A);

10 (D) by redesignating subparagraph (B) as
11 subparagraph (C); and

12 (E) by inserting after subparagraph (A)
13 the following new subparagraph:

14 “(B) wage and unemployment compensa-
15 tion information contained in the records of
16 such agency shall be furnished to the Secretary
17 of Health and Human Services (in accordance
18 with regulations promulgated by such Sec-
19 retary) as necessary for the purposes of the Na-
20 tional Directory of New Hires established under
21 section 453(i) of the Social Security Act, and”.

22 (3) TO STATE GRANT PROGRAM UNDER TITLE
23 III OF THE SOCIAL SECURITY ACT.—Subsection (h)
24 of section 303 (42 U.S.C. 503) is amended to read
25 as follows:

1 “(h)(1) The State agency charged with the adminis-
2 tration of the State law shall, on a reimbursable basis—

3 “(A) disclose quarterly, to the Secretary of
4 Health and Human Services, wage and claim infor-
5 mation, as required pursuant to section 453(i)(1),
6 contained in the records of such agency;

7 “(B) ensure that information provided pursuant
8 to subparagraph (A) meets such standards relating
9 to correctness and verification as the Secretary of
10 Health and Human Services, with the concurrence
11 of the Secretary of Labor, may find necessary; and

12 “(C) establish such safeguards as the Secretary
13 of Labor determines are necessary to insure that in-
14 formation disclosed under subparagraph (A) is used
15 only for purposes of section 453(i)(1) in carrying out
16 the child support enforcement program under title
17 IV.

18 “(2) Whenever the Secretary of Labor, after reason-
19 able notice and opportunity for hearing to the State agen-
20 cy charged with the administration of the State law, finds
21 that there is a failure to comply substantially with the re-
22 quirements of paragraph (1), the Secretary of Labor shall
23 notify such State agency that further payments will not
24 be made to the State until the Secretary of Labor is satis-
25 fied that there is no longer any such failure. Until the

1 Secretary of Labor is so satisfied, the Secretary shall
 2 make no future certification to the Secretary of the Treas-
 3 ury with respect to the State.

4 “(3) For purposes of this subsection—

5 “(A) the term ‘wage information’ means infor-
 6 mation regarding wages paid to an individual, the
 7 social security account number of such individual,
 8 and the name, address, State, and the Federal em-
 9 ployer identification number of the employer paying
 10 such wages to such individual; and

11 “(B) the term ‘claim information’ means infor-
 12 mation regarding whether an individual is receiving,
 13 has received, or has made application for, unemploy-
 14 ment compensation, the amount of any such com-
 15 pensation being received (or to be received by such
 16 individual), and the individual’s current (or most re-
 17 cent) home address.”.

18 (4) DISCLOSURE OF CERTAIN INFORMATION TO
 19 AGENTS OF CHILD SUPPORT ENFORCEMENT AGEN-
 20 CIES.—

21 (A) IN GENERAL.—Paragraph (6) of sec-
 22 tion 6103(l) of the Internal Revenue Code of
 23 1986 (relating to disclosure of return informa-
 24 tion to Federal, State, and local child support
 25 enforcement agencies) is amended by redesignig-

nating subparagraph (B) as subparagraph (C)
and by inserting after subparagraph (A) the fol-
lowing new subparagraph:

“(B) DISCLOSURE TO CERTAIN AGENTS.—

The following information disclosed to any child
support enforcement agency under subpara-
graph (A) with respect to any individual with
respect to whom child support obligations are
sought to be established or enforced may be dis-
closed by such agency to any agent of such
agency which is under contract with such agen-
cy to carry out the purposes described in sub-
paragraph (C):

“(i) The address and social security
account number (or numbers) of such indi-
vidual.

“(ii) The amount of any reduction
under section 6402(c) (relating to offset of
past-due support against overpayments) in
any overpayment otherwise payable to such
individual.”

(B) CONFORMING AMENDMENTS.—

(i) Paragraph (3) of section 6103(a)
of such Code is amended by striking

1 “(l)(12)” and inserting “paragraph (6) or
2 (12) of subsection (l)”.

3 (ii) Subparagraph (C) of section
4 6103(l)(6) of such Code, as redesignated
5 by subsection (a), is amended to read as
6 follows:

7 “(C) RESTRICTION ON DISCLOSURE.—In-
8 formation may be disclosed under this para-
9 graph only for purposes of, and to the extent
10 necessary in, establishing and collecting child
11 support obligations from, and locating, individ-
12 uals owing such obligations.”

13 (iii) The material following subpara-
14 graph (F) of section 6103(p)(4) of such
15 Code is amended by striking “subsection
16 (l)(12)(B)” and inserting “paragraph
17 (6)(A) or (12)(B) of subsection (l)”.

18 (h) REQUIREMENT FOR COOPERATION.—The Sec-
19 retary of Labor and the Secretary of Health and Human
20 Services shall work jointly to develop cost-effective and ef-
21 ficient methods of accessing the information in the various
22 State directories of new hires and the National Directory
23 of New Hires as established pursuant to the amendments
24 made by this title. In developing these methods the Sec-
25 retaries shall take into account the impact, including

1 costs, on the States, and shall also consider the need to
 2 insure the proper and authorized use of wage record infor-
 3 mation.

4 **SEC. 207. COLLECTION AND USE OF SOCIAL SECURITY**
 5 **NUMBERS FOR USE IN CHILD SUPPORT EN-**
 6 **FORCEMENT.**

7 (a) STATE LAW REQUIREMENT.—Section 466(a) (42
 8 U.S.C. 666(a)), as amended by section 205 of this Act,
 9 is amended by adding at the end the following new para-
 10 graph:

11 “(13) RECORDING OF SOCIAL SECURITY NUM-
 12 BERS IN CERTAIN FAMILY MATTERS.—Procedures
 13 requiring that the social security number of—

14 “(A) any applicant for a professional li-
 15 cense, commercial driver’s license, occupational
 16 license, or marriage license be recorded on the
 17 application;

18 “(B) any individual who is subject to a di-
 19 vorce decree, support order, or paternity deter-
 20 mination or acknowledgment be placed in the
 21 records relating to the matter; and

22 “(C) any individual who has died be placed
 23 in the records relating to the death and be re-
 24 corded on the death certificate.

1 For purposes of subparagraph (A), if a State allows
2 the use of a number other than the social security
3 number, the State shall so advise any applicants.”.

4 (b) CONFORMING AMENDMENTS.—Section
5 205(c)(2)(C) (42 U.S.C. 405(c)(2)(C)), as amended by
6 section 321(a)(9) of the Social Security Independence and
7 Program Improvements Act of 1994, is amended—

8 (1) in clause (i), by striking “may require” and
9 inserting “shall require”;

10 (2) in clause (ii), by inserting after the 1st sen-
11 tence the following: “In the administration of any
12 law involving the issuance of a marriage certificate
13 or license, each State shall require each party named
14 in the certificate or license to furnish to the State
15 (or political subdivision thereof), or any State agen-
16 cy having administrative responsibility for the law
17 involved, the social security number of the party.”;

18 (3) in clause (ii), by inserting “or marriage cer-
19 tificate” after “Such numbers shall not be recorded
20 on the birth certificate”;

21 (4) in clause (vi), by striking “may” and insert-
22 ing “shall”; and

23 (5) by adding at the end the following new
24 clauses:

1 “(x) An agency of a State (or a politi-
2 cal subdivision thereof) charged with the
3 administration of any law concerning the
4 issuance or renewal of a license, certificate,
5 permit, or other authorization to engage in
6 a profession, an occupation, or a commer-
7 cial activity shall require all applicants for
8 issuance or renewal of the license, certifi-
9 cate, permit, or other authorization to pro-
10 vide the applicant’s social security number
11 to the agency for the purpose of admin-
12 istering such laws, and for the purpose of
13 responding to requests for information
14 from an agency operating pursuant to part
15 D of title IV.

16 “(xi) All divorce decrees, support or-
17 ders, and paternity determinations issued,
18 and all paternity acknowledgments made,
19 in each State shall include the social secu-
20 rity number of each party to the decree,
21 order, determination, or acknowledgment
22 in the records relating to the matter, for
23 the purpose of responding to requests for
24 information from an agency operating pur-
25 suant to part D of title IV.”.

1 **TITLE III—STREAMLINING AND**
 2 **UNIFORMITY OF PROCEDURES**

3 **SEC. 301. ADOPTION OF UNIFORM STATE LAWS.**

4 Section 466 (42 U.S.C. 666) is amended by adding
 5 at the end the following new subsection:

6 “(f) UNIFORM INTERSTATE FAMILY SUPPORT
 7 ACT.—

8 “(1) ENACTMENT AND USE.—In order to sat-
 9 isfy section 454(20)(A), on and after January 1,
 10 1998, each State must have in effect the Uniform
 11 Interstate Family Support Act, as approved by the
 12 American Bar Association on February 9, 1993, to-
 13 gether with any amendments officially adopted be-
 14 fore January 1, 1998, by the National Conference of
 15 Commissioners on Uniform State Laws.

16 “(2) EMPLOYERS TO FOLLOW PROCEDURAL
 17 RULES OF STATE WHERE EMPLOYEE WORKS.—The
 18 State law enacted pursuant to paragraph (1) shall
 19 provide that an employer that receives an income
 20 withholding order or notice pursuant to section 501
 21 of the Uniform Interstate Family Support Act follow
 22 the procedural rules that apply with respect to such
 23 order or notice under the laws of the State in which
 24 the obligor works.

1 **SEC. 302. IMPROVEMENTS TO FULL FAITH AND CREDIT**
2 **FOR CHILD SUPPORT ORDERS.**

3 Section 1738B of title 28, United States Code, is
4 amended—

5 (1) in subsection (a)(2), by striking “subsection
6 (e)” and inserting “subsections (e), (f), and (i)”;

7 (2) in subsection (b), by inserting after the 2nd
8 undesignated paragraph the following:

9 “‘child’s home State’ means the State in which
10 a child lived with a parent or a person acting as par-
11 ent for at least 6 consecutive months immediately
12 preceding the time of filing of a petition or com-
13 parable pleading for support and, if a child is less
14 than 6 months old, the State in which the child lived
15 from birth with any of them. A period of temporary
16 absence of any of them is counted as part of the 6-
17 month period.”;

18 (3) in subsection (c), by inserting “by a court
19 of a State” before “is made”;

20 (4) in subsection (c)(1), by inserting “and sub-
21 sections (e), (f), and (g)” after “located”;

22 (5) in subsection (d)—

23 (A) by inserting “individual” before “con-
24 testant”; and

25 (B) by striking “subsection (e)” and in-
26 serting “subsections (e) and (f)”;

1 (6) in subsection (e), by striking “make a modi-
 2 fication of a child support order with respect to a
 3 child that is made” and inserting “modify a child
 4 support order issued”;

5 (7) in subsection (e)(1), by inserting “pursuant
 6 to subsection (i)” before the semicolon;

7 (8) in subsection (e)(2)—

8 (A) by inserting “individual” before “con-
 9 testant” each place such term appears; and

10 (B) by striking “to that court’s making the
 11 modification and assuming” and inserting “with
 12 the State of continuing, exclusive jurisdiction
 13 for a court of another State to modify the order
 14 and assume”;

15 (9) by redesignating subsections (f) and (g) as
 16 subsections (g) and (h), respectively;

17 (10) by inserting after subsection (e) the follow-
 18 ing new subsection:

19 “(f) RECOGNITION OF CHILD SUPPORT ORDERS.—
 20 If 1 or more child support orders have been issued with
 21 regard to an obligor and a child, a court shall apply the
 22 following rules in determining which order to recognize for
 23 purposes of continuing, exclusive jurisdiction and enforce-
 24 ment:

1 “(1) If only 1 court has issued a child support
2 order, the order of that court must be recognized.

3 “(2) If 2 or more courts have issued child sup-
4 port orders for the same obligor and child, and only
5 1 of the courts would have continuing, exclusive ju-
6 risdiction under this section, the order of that court
7 must be recognized.

8 “(3) If 2 or more courts have issued child sup-
9 port orders for the same obligor and child, and more
10 than 1 of the courts would have continuing, exclusive
11 jurisdiction under this section, an order issued by a
12 court in the current home State of the child must
13 be recognized, but if an order has not been issued
14 in the current home State of the child, the order
15 most recently issued must be recognized.

16 “(4) If 2 or more courts have issued child sup-
17 port orders for the same obligor and child, and none
18 of the courts would have continuing, exclusive juris-
19 diction under this section, a court may issue a child
20 support order, which must be recognized.

21 “(5) The court that has issued an order recog-
22 nized under this subsection is the court having con-
23 tinuing, exclusive jurisdiction.”;

24 (11) in subsection (g) (as so redesignated)—

1 (A) by striking “PRIOR” and inserting
 2 “MODIFIED”; and

3 (B) by striking “subsection (e)” and in-
 4 serting “subsections (e) and (f)”;
 5 (12) in subsection (h) (as so redesignated)—

6 (A) in paragraph (2), by inserting “includ-
 7 ing the duration of current payments and other
 8 obligations of support” before the comma; and

9 (B) in paragraph (3), by inserting “arrears
 10 under” after “enforce”; and

11 (13) by adding at the end the following new
 12 subsection:

13 “(i) REGISTRATION FOR MODIFICATION.—If there is
 14 no individual contestant or child residing in the issuing
 15 State, the party or support enforcement agency seeking
 16 to modify, or to modify and enforce, a child support order
 17 issued in another State shall register that order in a State
 18 with jurisdiction over the nonmovant for the purpose of
 19 modification.”.

20 **SEC. 303. ADMINISTRATIVE ENFORCEMENT IN INTERSTATE**
 21 **CASES.**

22 Section 466(a) (42 U.S.C. 666(a)), as amended by
 23 sections 205 and 207(a) of this Act, is amended by adding
 24 at the end the following new paragraph:

1 “(14) ADMINISTRATIVE ENFORCEMENT IN
2 INTERSTATE CASES.—Procedures under which—

3 “(A)(i) the State shall respond within 5
4 business days to a request made by another
5 State to enforce a support order; and

6 “(ii) the term ‘business day’ means a day
7 on which State offices are open for regular
8 business;

9 “(B) the State may, by electronic or other
10 means, transmit to another State a request for
11 assistance in a case involving the enforcement
12 of a support order, which request—

13 “(i) shall include such information as
14 will enable the State to which the request
15 is transmitted to compare the information
16 about the case to the information in the
17 data bases of the State; and

18 “(ii) shall constitute a certification by
19 the requesting State—

20 “(I) of the amount of support
21 under the order the payment of which
22 is in arrears; and

23 “(II) that the requesting State
24 has complied with all procedural due

1 process requirements applicable to the
2 case;

3 “(C) if the State provides assistance to an-
4 other State pursuant to this paragraph with re-
5 spect to a case, neither State shall consider the
6 case to be transferred to the caseload of such
7 other State; and

8 “(D) the State shall maintain records of—

9 “(i) the number of such requests for
10 assistance received by the State;

11 “(ii) the number of cases for which
12 the State collected support in response to
13 such a request; and

14 “(iii) the amount of such collected
15 support.”.

16 **SEC. 304. USE OF FORMS IN INTERSTATE ENFORCEMENT.**

17 (a) PROMULGATION.—Section 452(a) (42 U.S.C.
18 652(a)) is amended—

19 (1) by striking “and” at the end of paragraph
20 (9);

21 (2) by striking the period at the end of para-
22 graph (10) and inserting “; and”; and

23 (3) by adding at the end the following new
24 paragraph:

1 “(11) not later than October 1, 1996, after con-
2 sulting with the State directors of programs under
3 this part, promulgate forms to be used by States in
4 interstate cases for—

5 “(A) collection of child support through in-
6 come withholding;

7 “(B) imposition of liens; and

8 “(C) administrative subpoenas.”.

9 (b) USE BY STATES.—Section 454(9) (42 U.S.C.
10 654(9)) is amended—

11 (1) by striking “and” at the end of subpara-
12 graph (C);

13 (2) by inserting “and” at the end of subpara-
14 graph (D); and

15 (3) by adding at the end the following new sub-
16 paragraph:

17 “(E) not later than March 1, 1997, in
18 using the forms promulgated pursuant to sec-
19 tion 452(a)(11) for income withholding, imposi-
20 tion of liens, and issuance of administrative
21 subpoenas in interstate child support cases;”.

1 **SEC. 305. STATE LAWS PROVIDING EXPEDITED PROCE-**
2 **DURES.**

3 (a) STATE LAW REQUIREMENTS.—Section 466 (42
4 U.S.C. 666), as amended by section 204 of this Act, is
5 amended—

6 (1) in subsection (a)(2), by striking the first
7 sentence and inserting the following: “Expedited ad-
8 ministrative and judicial procedures (including the
9 procedures specified in subsection (c)) for establish-
10 ing paternity and for establishing, modifying, and
11 enforcing support obligations.”; and

12 (2) by inserting after subsection (b) the follow-
13 ing new subsection:

14 “(c) EXPEDITED PROCEDURES.—The procedures
15 specified in this subsection are the following:

16 “(1) ADMINISTRATIVE ACTION BY STATE AGEN-
17 CY.—Procedures which give the State agency the au-
18 thority to take the following actions relating to es-
19 tablishment of paternity or to establishment, modi-
20 fication, or enforcement of support orders, without
21 the necessity of obtaining an order from any other
22 judicial or administrative tribunal, and to recognize
23 and enforce the authority of State agencies of other
24 States) to take the following actions:

1 “(A) GENETIC TESTING.—To order genetic
2 testing for the purpose of paternity establish-
3 ment as provided in section 466(a)(5).

4 “(B) FINANCIAL OR OTHER INFORMA-
5 TION.—To subpoena any financial or other in-
6 formation needed to establish, modify, or en-
7 force a support order, and to impose penalties
8 for failure to respond to such a subpoena.

9 “(C) RESPONSE TO STATE AGENCY RE-
10 QUEST.—To require all entities in the State (in-
11 cluding for-profit, nonprofit, and governmental
12 employers) to provide promptly, in response to
13 a request by the State agency of that or any
14 other State administering a program under this
15 part, information on the employment, com-
16 pensation, and benefits of any individual em-
17 ployed by such entity as an employee or con-
18 tractor, and to sanction failure to respond to
19 any such request.

20 “(D) ACCESS TO CERTAIN RECORDS.—To
21 obtain access, subject to safeguards on privacy
22 and information security, to the following
23 records (including automated access, in the case
24 of records maintained in automated data
25 bases):

1 “(i) Records of other State and local
2 government agencies, including—

3 “(I) vital statistics (including
4 records of marriage, birth, and di-
5 vorce);

6 “(II) State and local tax and rev-
7 enue records (including information
8 on residence address, employer, in-
9 come and assets);

10 “(III) records concerning real
11 and titled personal property;

12 “(IV) records of occupational and
13 professional licenses, and records con-
14 cerning the ownership and control of
15 corporations, partnerships, and other
16 business entities;

17 “(V) employment security
18 records;

19 “(VI) records of agencies admin-
20 istering public assistance programs;

21 “(VII) records of the motor vehi-
22 cle department; and

23 “(VIII) corrections records.

24 “(ii) Certain records held by private
25 entities with respect to individuals who owe

1 or are owed support (or against or with re-
2 spect to whom a support obligation is
3 sought), consisting of—

4 “(I) the names and addresses of
5 such individuals and the names and
6 addresses of the employers of such in-
7 dividuals, as appearing in customer
8 records of public utilities and cable
9 television companies; and

10 “(II) information (including in-
11 formation on assets and liabilities) on
12 such individuals held by financial in-
13 stitutions,

14 subject to the nonliability of such entities
15 arising from affording such access under
16 this subparagraph.

17 “(E) CHANGE IN PAYEE.—In cases in
18 which support is subject to an assignment in
19 order to comply with a requirement imposed
20 pursuant to part A or section 1912, or to a re-
21 quirement to pay through the State disburse-
22 ment unit established pursuant to section
23 454B, upon providing notice to obligor and obli-
24 gee, to direct the obligor or other payor to

1 change the payee to the appropriate government
2 entity.

3 “(F) INCOME WITHHOLDING.—To order
4 income withholding in accordance with sub-
5 sections (a)(1) and (b) of section 466.

6 “(G) SECURING ASSETS.—In cases in
7 which there is a support arrearage, to secure
8 assets to satisfy the arrearage by—

9 “(i) intercepting or seizing periodic or
10 lump-sum payments from—

11 “(I) a State or local agency, in-
12 cluding unemployment compensation,
13 workers’ compensation, and other ben-
14 efits; and

15 “(II) judgments, settlements, and
16 lotteries;

17 “(ii) attaching and seizing assets of
18 the obligor held in financial institutions;

19 “(iii) attaching public and private re-
20 tirement funds; and

21 “(iv) imposing liens in accordance
22 with subsection (a)(4) and, in appropriate
23 cases, to force sale of property and dis-
24 tribution of proceeds.

1 “(H) INCREASE MONTHLY PAYMENTS.—

2 For the purpose of securing overdue support, to
 3 increase the amount of monthly support pay-
 4 ments to include amounts for arrearages, sub-
 5 ject to such conditions or limitations as the
 6 State may provide.

7 Such procedures shall be subject to due process safe-
 8 guards, including (as appropriate) requirements for
 9 notice, opportunity to contest the action, and oppor-
 10 tunity for an appeal on the record to an independent
 11 administrative or judicial tribunal.

12 “(2) SUBSTANTIVE AND PROCEDURAL RULES.—

13 The expedited procedures required under subsection
 14 (a)(2) shall include the following rules and author-
 15 ity, applicable with respect to all proceedings to es-
 16 tablish paternity or to establish, modify, or enforce
 17 support orders:

18 “(A) LOCATOR INFORMATION; PRESUMP-
 19 TIONS CONCERNING NOTICE.—Procedures
 20 under which—

21 “(i) each party to any paternity or
 22 child support proceeding is required (sub-
 23 ject to privacy safeguards) to file with the
 24 tribunal and the State case registry upon
 25 entry of an order, and to update as appro-

1 priate, information on location and identity
2 of the party, including social security num-
3 ber, residential and mailing addresses, tele-
4 phone number, driver's license number,
5 and name, address, and telephone number
6 of employer; and

7 “(ii) in any subsequent child support
8 enforcement action between the parties,
9 upon sufficient showing that diligent effort
10 has been made to ascertain the location of
11 such a party, the tribunal may deem State
12 due process requirements for notice and
13 service of process to be met with respect to
14 the party, upon delivery of written notice
15 to the most recent residential or employer
16 address filed with the tribunal pursuant to
17 clause (i).

18 “(B) STATEWIDE JURISDICTION.—Proce-
19 dures under which—

20 “(i) the State agency and any admin-
21 istrative or judicial tribunal with authority
22 to hear child support and paternity cases
23 exerts statewide jurisdiction over the par-
24 ties; and

1 “(ii) in a State in which orders are is-
2 sued by courts or administrative tribunals,
3 a case may be transferred between local ju-
4 risdictions in the State without need for
5 any additional filing by the petitioner, or
6 service of process upon the respondent, to
7 retain jurisdiction over the parties.

8 “(3) COORDINATION WITH ERISA.—Notwith-
9 standing subsection (d) of section 514 of the Em-
10 ployee Retirement Income Security Act of 1974 (re-
11 lating to effect on other laws), nothing in this sub-
12 section shall be construed to alter, amend, modify,
13 invalidate, impair, or supersede subsections (a), (b),
14 and (c) of such section 514 as it applies with respect
15 to any procedure referred to in paragraph (1) and
16 any expedited procedure referred to in paragraph
17 (2), except to the extent that such procedure would
18 be consistent with the requirements of section
19 206(d)(3) of such Act (relating to qualified domestic
20 relations orders) or the requirements of section
21 609(a) of such Act (relating to qualified medical
22 child support orders) if the reference in such section
23 206(d)(3) to a domestic relations order and the ref-
24 erence in such section 609(a) to a medical child sup-
25 port order were a reference to a support order re-

ferred to in paragraphs (1) and (2) relating to the same matters, respectively.”.

(b) AUTOMATION OF STATE AGENCY FUNCTIONS.—
Section 454A, as added by section 504(a)(2) and as amended by sections 201 and 202(c) of this Act, is amended by adding at the end the following new subsection:

“(h) EXPEDITED ADMINISTRATIVE PROCEDURES.—
The automated system required by this section shall be used, to the maximum extent feasible, to implement the expedited administrative procedures required by section 466(c).”.

TITLE IV—PATERNITY ESTABLISHMENT

SEC. 401. STATE LAWS CONCERNING PATERNITY ESTABLISHMENT.

(a) STATE LAWS REQUIRED.—Section 466(a)(5) (42 U.S.C. 666(a)(5)) is amended to read as follows:

“(5) PROCEDURES CONCERNING PATERNITY ESTABLISHMENT.—

“(A) ESTABLISHMENT PROCESS AVAILABLE FROM BIRTH UNTIL AGE 18.—

“(i) Procedures which permit the establishment of the paternity of a child at any time before the child attains 18 years of age.

1 “(ii) As of August 16, 1984, clause (i)
 2 shall also apply to a child for whom pater-
 3 nity has not been established or for whom
 4 a paternity action was brought but dis-
 5 missed because a statute of limitations of
 6 less than 18 years was then in effect in the
 7 State.

8 “(B) PROCEDURES CONCERNING GENETIC
 9 TESTING.—

10 “(i) GENETIC TESTING REQUIRED IN
 11 CERTAIN CONTESTED CASES.—Procedures
 12 under which the State is required, in a
 13 contested paternity case (unless otherwise
 14 barred by State law) to require the child
 15 and all other parties (other than individ-
 16 uals found under section 454(29) to have
 17 good cause and other exceptions for refus-
 18 ing to cooperate) to submit to genetic tests
 19 upon the request of any such party, if the
 20 request is supported by a sworn statement
 21 by the party—

22 “(I) alleging paternity, and set-
 23 ting forth facts establishing a reason-
 24 able possibility of the requisite sexual
 25 contact between the parties; or

1 “(II) denying paternity, and set-
 2 ting forth facts establishing a reason-
 3 able possibility of the nonexistence of
 4 sexual contact between the parties.

5 “(ii) OTHER REQUIREMENTS.—Proce-
 6 dures which require the State agency, in
 7 any case in which the agency orders ge-
 8 netic testing—

9 “(I) to pay costs of such tests,
 10 subject to recoupment (if the State so
 11 elects) from the alleged father if pa-
 12 ternity is established; and

13 “(II) to obtain additional testing
 14 in any case if an original test result is
 15 contested, upon request and advance
 16 payment by the contestant.

17 “(C) VOLUNTARY PATERNITY ACKNOWL-
 18 EDGMENT.—

19 “(i) SIMPLE CIVIL PROCESS.—Proce-
 20 dures for a simple civil process for volun-
 21 tarily acknowledging paternity under which
 22 the State must provide that, before a
 23 mother and a putative father can sign an
 24 acknowledgment of paternity, the mother
 25 and the putative father must be given no-

tice, orally and in writing, of the alternatives to, the legal consequences of, and the rights (including, if 1 parent is a minor, any rights afforded due to minority status) and responsibilities that arise from, signing the acknowledgment.

“(ii) HOSPITAL-BASED PROGRAM.— Such procedures must include a hospital-based program for the voluntary acknowledgment of paternity focusing on the period immediately before or after the birth of a child, unless good cause and other exceptions exist which—

“(I) shall be defined, taking into account the best interests of the child, and

“(II) shall be applied in each case,

by, at the option of the State, the State agency administering the State program under part A, this part, or title XIX.

“(iii) PATERNITY ESTABLISHMENT SERVICES.—

“(I) STATE-OFFERED SERVICES.—Such procedures must require

1 the State agency responsible for main-
2 taining birth records to offer vol-
3 untary paternity establishment serv-
4 ices.

5 “(II) REGULATIONS.—

6 “(aa) SERVICES OFFERED
7 BY HOSPITALS AND BIRTH
8 RECORD AGENCIES.—The Sec-
9 retary shall prescribe regulations
10 governing voluntary paternity es-
11 tablishment services offered by
12 hospitals and birth record agen-
13 cies.

14 “(bb) SERVICES OFFERED
15 BY OTHER ENTITIES.—The Sec-
16 retary shall prescribe regulations
17 specifying the types of other enti-
18 ties that may offer voluntary pa-
19 ternity establishment services,
20 and governing the provision of
21 such services, which shall include
22 a requirement that such an entity
23 must use the same notice provi-
24 sions used by, use the same ma-
25 terials used by, provide the per-

sonnel providing such services with the same training provided by, and evaluate the provision of such services in the same manner as the provision of such services is evaluated by, voluntary paternity establishment programs of hospitals and birth record agencies.

“(iv) USE OF PATERNITY ACKNOWLEDGMENT AFFIDAVIT.—Such procedures must require the State to develop and use an affidavit for the voluntary acknowledgment of paternity which includes the minimum requirements of the affidavit specified by the Secretary under section 452(a)(7) for the voluntary acknowledgment of paternity, and to give full faith and credit to such an affidavit signed in any other State according to its procedures.

“(D) STATUS OF SIGNED PATERNITY ACKNOWLEDGMENT.—

“(i) INCLUSION IN BIRTH RECORDS.—
Procedures under which the name of the

1 father shall be included on the record of
2 birth of the child of unmarried parents
3 only if—

4 “(I) the father and mother have
5 signed a voluntary acknowledgment of
6 paternity; or

7 “(II) a court or an administrative
8 agency of competent jurisdiction has
9 issued an adjudication of paternity.

10 Nothing in this clause shall preclude a
11 State agency from obtaining an admission
12 of paternity from the father for submission
13 in a judicial or administrative proceeding,
14 or prohibit the issuance of an order in a
15 judicial or administrative proceeding which
16 bases a legal finding of paternity on an ad-
17 mission of paternity by the father and any
18 other additional showing required by State
19 law.

20 “(ii) LEGAL FINDING OF PATER-
21 NITY.—Procedures under which a signed
22 voluntary acknowledgment of paternity is
23 considered a legal finding of paternity,
24 subject to the right of any signatory to re-

1 scind the acknowledgment within the ear-
2 lier of—

3 “(I) 60 days; or

4 “(II) the date of an administra-
5 tive or judicial proceeding relating to
6 the child (including a proceeding to
7 establish a support order) in which
8 the signatory is a party.

9 “(iii) CONTEST.—Procedures under
10 which, after the 60-day period referred to
11 in clause (ii), a signed voluntary acknowl-
12 edgment of paternity may be challenged in
13 court only on the basis of fraud, duress, or
14 material mistake of fact, with the burden
15 of proof upon the challenger, and under
16 which the legal responsibilities (including
17 child support obligations) of any signatory
18 arising from the acknowledgment may not
19 be suspended during the challenge, except
20 for good cause shown.

21 “(E) BAR ON ACKNOWLEDGMENT RATIFI-
22 CATION PROCEEDINGS.—Procedures under
23 which judicial or administrative proceedings are
24 not required or permitted to ratify an unchal-
25 lenged acknowledgment of paternity.

“(F) ADMISSIBILITY OF GENETIC TESTING
RESULTS.—Procedures—

“(i) requiring the admission into evidence, for purposes of establishing paternity, of the results of any genetic test that is—

“(I) of a type generally acknowledged as reliable by accreditation bodies designated by the Secretary; and

“(II) performed by a laboratory approved by such an accreditation body;

“(ii) requiring an objection to genetic testing results to be made in writing not later than a specified number of days before any hearing at which the results may be introduced into evidence (or, at State option, not later than a specified number of days after receipt of the results); and

“(iii) making the test results admissible as evidence of paternity without the need for foundation testimony or other proof of authenticity or accuracy, unless objection is made.

1 “(G) PRESUMPTION OF PATERNITY IN
2 CERTAIN CASES.—Procedures which create a re-
3 buttable or, at the option of the State, conclu-
4 sive presumption of paternity upon genetic test-
5 ing results indicating a threshold probability
6 that the alleged father is the father of the child.

7 “(H) DEFAULT ORDERS.—Procedures re-
8 quiring a default order to be entered in a pater-
9 nity case upon a showing of service of process
10 on the defendant and any additional showing
11 required by State law.

12 “(I) NO RIGHT TO JURY TRIAL.—Proce-
13 dures providing that the parties to an action to
14 establish paternity are not entitled to a trial by
15 jury.

16 “(J) TEMPORARY SUPPORT ORDER BASED
17 ON PROBABLE PATERNITY IN CONTESTED
18 CASES.—Procedures which require that a tem-
19 porary order be issued, upon motion by a party,
20 requiring the provision of child support pending
21 an administrative or judicial determination of
22 parentage, if there is clear and convincing evi-
23 dence of paternity (on the basis of genetic tests
24 or other evidence).

1 “(K) PROOF OF CERTAIN SUPPORT AND
 2 PATERNITY ESTABLISHMENT COSTS.—Proce-
 3 dures under which bills for pregnancy, child-
 4 birth, and genetic testing are admissible as evi-
 5 dence without requiring third-party foundation
 6 testimony, and shall constitute prima facie evi-
 7 dence of amounts incurred for such services or
 8 for testing on behalf of the child.

9 “(L) STANDING OF PUTATIVE FATHERS.—
 10 Procedures ensuring that the putative father
 11 has a reasonable opportunity to initiate a pater-
 12 nity action.

13 “(M) FILING OF ACKNOWLEDGMENTS AND
 14 ADJUDICATIONS IN STATE REGISTRY OF BIRTH
 15 RECORDS.—Procedures under which voluntary
 16 acknowledgments and adjudications of paternity
 17 by judicial or administrative processes are filed
 18 with the State registry of birth records for com-
 19 parison with information in the State case reg-
 20 istry.”.

21 (b) NATIONAL PATERNITY ACKNOWLEDGMENT AFFI-
 22 DAVIT.—Section 452(a)(7) (42 U.S.C. 652(a)(7)) is
 23 amended by inserting “, and specify the minimum require-
 24 ments of an affidavit to be used for the voluntary acknowl-
 25 edgment of paternity which shall include the social secu-

1 rity number of each parent and, after consultation with
 2 the States, other common elements as determined by such
 3 designee” before the semicolon.

4 (c) CONFORMING AMENDMENT.—Section 468 (42
 5 U.S.C. 668) is amended by striking “a simple civil process
 6 for voluntarily acknowledging paternity and”.

7 **SEC. 402. OUTREACH FOR VOLUNTARY PATERNITY ESTAB-**
 8 **LISHMENT.**

9 Section 454(23) (42 U.S.C. 654(23)) is amended by
 10 inserting “and will publicize the availability and encourage
 11 the use of procedures for voluntary establishment of pater-
 12 nity and child support by means the State deems appro-
 13 priate” before the semicolon.

14 **SEC. 403. COOPERATION BY APPLICANTS FOR AND RECIPI-**
 15 **ENTS OF PART A ASSISTANCE.**

16 Section 454 (42 U.S.C. 654), as amended by sections
 17 101(b), 103(a), 202(a), and 203(a) of this Act, is amend-
 18 ed—

19 (1) by striking “and” at the end of paragraph
 20 (27);

21 (2) by striking the period at the end of para-
 22 graph (28) and inserting “; and”; and

23 (3) by inserting after paragraph (28) the fol-
 24 lowing new paragraph:

1 “(29) provide that the State agency responsible
2 for administering the State plan—

3 “(A) shall make the determination (and re-
4 determination at appropriate intervals) as to
5 whether an individual who has applied for or is
6 receiving assistance under the State program
7 funded under part A or the State program
8 under title XIX is cooperating in good faith
9 with the State in establishing the paternity of,
10 or in establishing, modifying, or enforcing a
11 support order for, any child of the individual by
12 providing the State agency with the name of,
13 and such other information as the State agency
14 may require with respect to, the noncustodial
15 parent of the child, subject to good cause and
16 other exceptions which—

17 “(i) shall be defined, taking into ac-
18 count the best interests of the child, and

19 “(ii) shall be applied in each case,
20 by, at the option of the State, the State
21 agency administering the State program
22 under part A, this part, or title XIX;

23 “(B) shall require the individual to supply
24 additional necessary information and appear at
25 interviews, hearings, and legal proceedings;

1 “(C) shall require the individual and the
2 child to submit to genetic tests pursuant to ju-
3 dicial or administrative order;

4 “(D) may request that the individual sign
5 a voluntary acknowledgment of paternity, after
6 notice of the rights and consequences of such
7 an acknowledgment, but may not require the in-
8 dividual to sign an acknowledgment or other-
9 wise relinquish the right to genetic tests as a
10 condition of cooperation and eligibility for as-
11 sistance under the State program funded under
12 part A or the State program under title XIX;
13 and

14 “(E) shall promptly notify the individual
15 and the State agency administering the State
16 program funded under part A and the State
17 agency administering the State program under
18 title XIX of each such determination, and if
19 noncooperation is determined, the basis there-
20 fore.”.

1 **TITLE V—PROGRAM**
2 **ADMINISTRATION AND FUNDING**

3 **SEC. 501. PERFORMANCE-BASED INCENTIVES AND PEN-**
4 **ALTIES.**

5 (a) DEVELOPMENT OF NEW SYSTEM.—The Sec-
6 retary of Health and Human Services, in consultation with
7 State directors of programs under part D of title IV of
8 the Social Security Act, shall develop a new incentive sys-
9 tem to replace, in a revenue neutral manner, the system
10 under section 458 of such Act. The new system shall pro-
11 vide additional payments to any State based on such
12 State’s performance under such a program. Not later than
13 November 1, 1996, the Secretary shall report on the new
14 system to the Committee on Ways and Means of the
15 House of Representatives and the Committee on Finance
16 of the Senate.

17 (b) CONFORMING AMENDMENTS TO PRESENT SYS-
18 TEM.—Section 458 (42 U.S.C. 658) is amended—

19 (1) in subsection (a), by striking “aid to fami-
20 lies with dependent children under a State plan ap-
21 proved under part A of this title” and inserting “as-
22 sistance under a program funded under part A”;

23 (2) in subsection (b)(1)(A), by striking “section
24 402(a)(26)” and inserting “section 408(a)(4)”;

25 (3) in subsections (b) and (c)—

1 (A) by striking “AFDC collections” each
 2 place it appears and inserting “title IV–A col-
 3 lections”, and

4 (B) by striking “non-AFDC collections”
 5 each place it appears and inserting “non-title
 6 IV–A collections”; and

7 (4) in subsection (c), by striking “combined
 8 AFDC/non-AFDC administrative costs” both places
 9 it appears and inserting “combined title IV–A/non-
 10 title IV–A administrative costs”.

11 (c) CALCULATION OF PATERNITY ESTABLISHMENT
 12 PERCENTAGE.—

13 (1) Section 452(g)(1)(A) (42 U.S.C.
 14 652(g)(1)(A)) is amended by striking “75” and in-
 15 serting “90”.

16 (2) Section 452(g)(1) (42 U.S.C. 652(g)(1)) is
 17 amended—

18 (A) by redesignating subparagraphs (B)
 19 through (E) as subparagraphs (C) through (F),
 20 respectively, and by inserting after subpara-
 21 graph (A) the following new subparagraph:

22 “(B) for a State with a paternity establish-
 23 ment percentage of not less than 75 percent but
 24 less than 90 percent for such fiscal year, the
 25 paternity establishment percentage of the State

1 for the immediately preceding fiscal year plus 2
2 percentage points;”; and

3 (B) by adding at the end the following new
4 flush sentence:

5 “In determining compliance under this section, a State
6 may use as its paternity establishment percentage either
7 the State’s IV–D paternity establishment percentage (as
8 defined in paragraph (2)(A)) or the State’s statewide pa-
9 ternity establishment percentage (as defined in paragraph
10 (2)(B)).”.

11 (3) Section 452(g)(2) (42 U.S.C. 652(g)(2)) is
12 amended—

13 (A) in subparagraph (A)—

14 (i) in the matter preceding clause

15 (i)—

16 (I) by striking “paternity estab-
17 lishment percentage” and inserting
18 “IV–D paternity establishment per-
19 centage”; and

20 (II) by striking “(or all States, as
21 the case may be)”;

22 (ii) by striking “and” at the end
23 thereof;

1 (B) by redesignating subparagraph (B) as
 2 subparagraph (C) and by inserting after sub-
 3 paragraph (A) the following new subparagraph:

4 “(B) the term ‘statewide paternity establish-
 5 ment percentage’ means, with respect to a State for
 6 a fiscal year, the ratio (expressed as a percentage)
 7 that the total number of minor children—

8 “(i) who have been born out of wedlock,
 9 and

10 “(ii) the paternity of whom has been estab-
 11 lished or acknowledged during the fiscal year,
 12 bears to the total number of children born out of
 13 wedlock during the preceding fiscal year; and”;

14 (iii) in the matter following subpara-
 15 graph (C) (as so redesignated), by striking
 16 “to have good cause for refusing to cooper-
 17 ate” and inserting “to qualify for a good
 18 cause or other exception to cooperation”.

19 (4) Section 452(g)(3) (42 U.S.C. 652(g)(3)) is
 20 amended—

21 (A) by striking subparagraph (A) and re-
 22 designating subparagraphs (B) and (C) as sub-
 23 paragraphs (A) and (B), respectively; and

24 (B) in subparagraph (A) (as so redesign-
 25 ated), by striking “the percentage of children

1 born out-of-wedlock in a State” and inserting
 2 “the percentage of children in a State who are
 3 born out of wedlock or for whom support has
 4 not been established”.

5 (d) EFFECTIVE DATES.—

6 (1) INCENTIVE ADJUSTMENTS.—

7 (A) IN GENERAL.—The system developed under
 8 subsection (a) and the amendments made by sub-
 9 section (b) shall become effective on October 1,
 10 1997, except to the extent provided in subparagraph
 11 (B).

12 (B) APPLICATION OF SECTION 458.—Section
 13 458 of the Social Security Act, as in effect on the
 14 day before the date of the enactment of this section,
 15 shall be effective for purposes of incentive payments
 16 to States for fiscal years before fiscal year 1999.

17 (2) PENALTY REDUCTIONS.—The amendments
 18 made by subsection (c) shall become effective with
 19 respect to calendar quarters beginning on or after
 20 the date of the enactment of this Act.

21 **SEC. 502. FEDERAL AND STATE REVIEWS AND AUDITS.**

22 (a) STATE AGENCY ACTIVITIES.—Section 454 (42
 23 U.S.C. 654) is amended—

24 (1) in paragraph (14), by striking “(14)” and
 25 inserting “(14)(A)”;

1 (2) by redesignating paragraph (15) as sub-
2 paragraph (B) of paragraph (14); and

3 (3) by inserting after paragraph (14) the fol-
4 lowing new paragraph:

5 “(15) provide for—

6 “(A) a process for annual reviews of and
7 reports to the Secretary on the State program
8 operated under the State plan approved under
9 this part, including such information as may be
10 necessary to measure State compliance with
11 Federal requirements for expedited procedures,
12 using such standards and procedures as are re-
13 quired by the Secretary, under which the State
14 agency will determine the extent to which the
15 program is operated in compliance with this
16 part; and

17 “(B) a process of extracting from the auto-
18 mated data processing system required by para-
19 graph (16) and transmitting to the Secretary
20 data and calculations concerning the levels of
21 accomplishment (and rates of improvement)
22 with respect to applicable performance indica-
23 tors (including paternity establishment percent-
24 ages) to the extent necessary for purposes of
25 sections 452(g) and 458.”.

1 (b) FEDERAL ACTIVITIES.—Section 452(a)(4) (42
2 U.S.C. 652(a)(4)) is amended to read as follows:

3 “(4)(A) review data and calculations transmit-
4 ted by State agencies pursuant to section
5 454(15)(B) on State program accomplishments with
6 respect to performance indicators for purposes of
7 subsection (g) of this section and section 458;

8 “(B) review annual reports submitted pursuant
9 to section 454(15)(A) and, as appropriate, provide
10 to the State comments, recommendations for addi-
11 tional or alternative corrective actions, and technical
12 assistance; and

13 “(C) conduct audits, in accordance with the
14 Government auditing standards of the Comptroller
15 General of the United States—

16 “(i) at least once every 3 years (or more
17 frequently, in the case of a State which fails to
18 meet the requirements of this part concerning
19 performance standards and reliability of pro-
20 gram data) to assess the completeness, reliabil-
21 ity, and security of the data and the accuracy
22 of the reporting systems used in calculating
23 performance indicators under subsection (g) of
24 this section and section 458;

1 “(ii) of the adequacy of financial manage-
 2 ment of the State program operated under the
 3 State plan approved under this part, including
 4 assessments of—

5 “(I) whether Federal and other funds
 6 made available to carry out the State pro-
 7 gram are being appropriately expended,
 8 and are properly and fully accounted for;
 9 and

10 “(II) whether collections and disburse-
 11 ments of support payments are carried out
 12 correctly and are fully accounted for; and

13 “(iii) for such other purposes as the Sec-
 14 retary may find necessary;”.

15 (c) EFFECTIVE DATE.—The amendments made by
 16 this section shall be effective with respect to calendar
 17 quarters beginning 12 months or more after the date of
 18 the enactment of this Act.

19 **SEC. 503. REQUIRED REPORTING PROCEDURES.**

20 (a) ESTABLISHMENT.—Section 452(a)(5) (42 U.S.C.
 21 652(a)(5)) is amended by inserting “, and establish proce-
 22 dures to be followed by States for collecting and reporting
 23 information required to be provided under this part, and
 24 establish uniform definitions (including those necessary to
 25 enable the measurement of State compliance with the re-

1 quirements of this part relating to expedited processes) to
 2 be applied in following such procedures” before the semi-
 3 colon.

4 (b) STATE PLAN REQUIREMENT.—Section 454 (42
 5 U.S.C. 654), as amended by sections 101(b), 103(a),
 6 202(a), 203(a), and 403 of this Act, is amended—

7 (1) by striking “and” at the end of paragraph
 8 (28);

9 (2) by striking the period at the end of para-
 10 graph (29) and inserting “; and”; and

11 (3) by adding after paragraph (29) the follow-
 12 ing new paragraph:

13 “(30) provide that the State shall use the defi-
 14 nitions established under section 452(a)(5) in col-
 15 lecting and reporting information as required under
 16 this part.”.

17 **SEC. 504. AUTOMATED DATA PROCESSING REQUIREMENTS.**

18 (a) REVISED REQUIREMENTS.—

19 (1) IN GENERAL.—Section 454(16) (42 U.S.C.
 20 654(16)) is amended—

21 (A) by striking “, at the option of the
 22 State,”;

23 (B) by inserting “and operation by the
 24 State agency” after “for the establishment”;

1 (C) by inserting “meeting the requirements
2 of section 454A” after “information retrieval
3 system”;

4 (D) by striking “in the State and localities
5 thereof, so as (A)” and inserting “so as”;

6 (E) by striking “(i)”; and

7 (F) by striking “(including” and all that
8 follows and inserting a semicolon.

9 (2) AUTOMATED DATA PROCESSING.—Part D of
10 title IV (42 U.S.C. 651–669) is amended by insert-
11 ing after section 454 the following new section:

12 **“SEC. 454A. AUTOMATED DATA PROCESSING.**

13 “(a) IN GENERAL.—In order for a State to meet the
14 requirements of this section, the State agency administer-
15 ing the State program under this part shall have in oper-
16 ation a single statewide automated data processing and
17 information retrieval system which has the capability to
18 perform the tasks specified in this section with the fre-
19 quency and in the manner required by or under this part.

20 “(b) PROGRAM MANAGEMENT.—The automated sys-
21 tem required by this section shall perform such functions
22 as the Secretary may specify relating to management of
23 the State program under this part, including—

1 “(1) controlling and accounting for use of Fed-
 2 eral, State, and local funds in carrying out the pro-
 3 gram; and

4 “(2) maintaining the data necessary to meet
 5 Federal reporting requirements under this part on a
 6 timely basis.

7 “(c) CALCULATION OF PERFORMANCE INDICA-
 8 TORS.—In order to enable the Secretary to determine the
 9 incentive payments and penalty adjustments required by
 10 sections 452(g) and 458, the State agency shall—

11 “(1) use the automated system—

12 “(A) to maintain the requisite data on
 13 State performance with respect to paternity es-
 14 tablishment and child support enforcement in
 15 the State; and

16 “(B) to calculate the paternity establish-
 17 ment percentage for the State for each fiscal
 18 year; and

19 “(2) have in place systems controls to ensure
 20 the completeness and reliability of, and ready access
 21 to, the data described in paragraph (1)(A), and the
 22 accuracy of the calculations described in paragraph
 23 (1)(B).

24 “(d) INFORMATION INTEGRITY AND SECURITY.—The
 25 State agency shall have in effect safeguards on the integ-

1 rity, accuracy, and completeness of, access to, and use of
2 data in the automated system required by this section,
3 which shall include the following (in addition to such other
4 safeguards as the Secretary may specify in regulations):

5 “(1) POLICIES RESTRICTING ACCESS.—Written
6 policies concerning access to data by State agency
7 personnel, and sharing of data with other persons,
8 which—

9 “(A) permit access to and use of data only
10 to the extent necessary to carry out the State
11 program under this part; and

12 “(B) specify the data which may be used
13 for particular program purposes, and the per-
14 sonnel permitted access to such data.

15 “(2) SYSTEMS CONTROLS.—Systems controls
16 (such as passwords or blocking of fields) to ensure
17 strict adherence to the policies described in para-
18 graph (1).

19 “(3) MONITORING OF ACCESS.—Routine mon-
20 itoring of access to and use of the automated sys-
21 tem, through methods such as audit trails and feed-
22 back mechanisms, to guard against and promptly
23 identify unauthorized access or use.

24 “(4) TRAINING AND INFORMATION.—Proce-
25 dures to ensure that all personnel (including State

1 and local agency staff and contractors) who may
 2 have access to or be required to use confidential pro-
 3 gram data are informed of applicable requirements
 4 and penalties (including those in section 6103 of the
 5 Internal Revenue Code of 1986), and are adequately
 6 trained in security procedures.

7 “(5) PENALTIES.—Administrative penalties (up
 8 to and including dismissal from employment) for un-
 9 authorized access to, or disclosure or use of, con-
 10 fidential data.”.

11 (3) REGULATIONS.—The Secretary of Health
 12 and Human Services shall prescribe final regulations
 13 for implementation of section 454A of the Social Se-
 14 curity Act not later than 2 years after the date of
 15 the enactment of this Act.

16 (4) IMPLEMENTATION TIMETABLE.—Section
 17 454(24) (42 U.S.C. 654(24)), as amended by section
 18 103(a)(1) of this Act, is amended to read as follows:

19 “(24) provide that the State will have in effect
 20 an automated data processing and information re-
 21 trieval system—

22 “(A) by October 1, 1997, which meets all
 23 requirements of this part which were enacted on
 24 or before the date of enactment of the Family
 25 Support Act of 1988, and

1 “(B) by October 1, 1999, which meets all
 2 requirements of this part enacted on or before
 3 the date of the enactment of the Child Support
 4 Improvement Act of 1996, except that such
 5 deadline shall be extended by 1 day for each
 6 day (if any) by which the Secretary fails to
 7 meet the deadline imposed by section 504(a)(3)
 8 of the Child Support Improvement Act of
 9 1996;”.

10 (b) SPECIAL FEDERAL MATCHING RATE FOR DE-
 11 VELOPMENT COSTS OF AUTOMATED SYSTEMS.—

12 (1) IN GENERAL.—Section 455(a) (42 U.S.C.
 13 655(a)) is amended—

14 (A) in paragraph (1)(B)—

15 (i) by striking “90 percent” and in-
 16 serting “the percent specified in paragraph
 17 (3)”;

18 (ii) by striking “so much of”; and

19 (iii) by striking “which the Secretary”
 20 and all that follows and inserting “, and”;
 21 and

22 (B) by adding at the end the following new
 23 paragraph:

24 “(3)(A) The Secretary shall pay to each State, for
 25 each quarter in fiscal years 1996 and 1997, 90 percent

1 of so much of the State expenditures described in para-
 2 graph (1)(B) as the Secretary finds are for a system meet-
 3 ing the requirements specified in section 454(16) (as in
 4 effect on September 30, 1995) but limited to the amount
 5 approved for States in the advance planning documents
 6 of such States submitted on or before September 30,
 7 1995.

8 “(B)(i) The Secretary shall pay to each State, for
 9 each quarter in fiscal years 1996 through 2001, the per-
 10 centage specified in clause (ii) of so much of the State
 11 expenditures described in paragraph (1)(B) as the Sec-
 12 retary finds are for a system meeting the requirements
 13 of sections 454(16) and 454A.

14 “(ii) The percentage specified in this clause is 80 per-
 15 cent.”.

16 (2) TEMPORARY LIMITATION ON PAYMENTS
 17 UNDER SPECIAL FEDERAL MATCHING RATE.—

18 (A) IN GENERAL.—The Secretary of
 19 Health and Human Services may not pay more
 20 than \$400,000,000 in the aggregate under sec-
 21 tion 455(a)(3)(B) of the Social Security Act for
 22 fiscal years 1996 through 2001.

23 (B) ALLOCATION OF LIMITATION AMONG
 24 STATES.—The total amount payable to a State
 25 under section 455(a)(3)(B) of such Act for fis-

1 cal years 1996 through 2001 shall not exceed
 2 the limitation determined for the State by the
 3 Secretary of Health and Human Services in
 4 regulations.

5 (C) ALLOCATION FORMULA.—The regula-
 6 tions referred to in subparagraph (B) shall pre-
 7 scribe a formula for allocating the amount spec-
 8 ified in subparagraph (A) among States with
 9 plans approved under part D of title IV of the
 10 Social Security Act, which shall take into ac-
 11 count—

12 (i) the relative size of State caseloads
 13 under such part; and

14 (ii) the level of automation needed to
 15 meet the automated data processing re-
 16 quirements of such part.

17 (c) CONFORMING AMENDMENT.—Section 123(c) of
 18 the Family Support Act of 1988 (102 Stat. 2352; Public
 19 Law 100–485) is repealed.

20 **SEC. 505. TECHNICAL ASSISTANCE.**

21 (a) FOR TRAINING OF FEDERAL AND STATE STAFF,
 22 RESEARCH AND DEMONSTRATION PROGRAMS, AND SPE-
 23 CIAL PROJECTS OF REGIONAL OR NATIONAL SIGNIFI-
 24 CANCE.—Section 452 (42 U.S.C. 652) is amended by add-
 25 ing at the end the following new subsection:

1 “(j) Out of any money in the Treasury of the United
2 States not otherwise appropriated, there is hereby appro-
3 priated to the Secretary for each fiscal year an amount
4 equal to 1 percent of the total amount paid to the Federal
5 Government pursuant to section 457(a) during the imme-
6 diately preceding fiscal year (as determined on the basis
7 of the most recent reliable data available to the Secretary
8 as of the end of the 3rd calendar quarter following the
9 end of such preceding fiscal year), to cover costs incurred
10 by the Secretary for—

11 “(1) information dissemination and technical
12 assistance to States, training of State and Federal
13 staff, staffing studies, and related activities needed
14 to improve programs under this part (including tech-
15 nical assistance concerning State automated systems
16 required by this part); and

17 “(2) research, demonstration, and special
18 projects of regional or national significance relating
19 to the operation of State programs under this part.
20 The amount appropriated under this subsection shall re-
21 main available until expended.”.

22 (b) OPERATION OF FEDERAL PARENT LOCATOR
23 SERVICE.—Section 453 (42 U.S.C. 653), as amended by
24 section 206 of this Act, is amended by adding at the end
25 the following new subsection:

1 “(o) RECOVERY OF COSTS.—Out of any money in the
 2 Treasury of the United States not otherwise appropriated,
 3 there is hereby appropriated to the Secretary for each fis-
 4 cal year an amount equal to 2 percent of the total amount
 5 paid to the Federal Government pursuant to section
 6 457(a) during the immediately preceding fiscal year (as
 7 determined on the basis of the most recent reliable data
 8 available to the Secretary as of the end of the 3rd calendar
 9 quarter following the end of such preceding fiscal year),
 10 to cover costs incurred by the Secretary for operation of
 11 the Federal Parent Locator Service under this section, to
 12 the extent such costs are not recovered through user
 13 fees.”.

14 **SEC. 506. REPORTS AND DATA COLLECTION BY THE SEC-**
 15 **RETARY.**

16 (a) ANNUAL REPORT TO CONGRESS.—

17 (1) Section 452(a)(10)(A) (42 U.S.C.
 18 652(a)(10)(A)) is amended—

19 (A) by striking “this part;” and inserting
 20 “this part, including—”; and

21 (B) by adding at the end the following new
 22 clauses:

23 “(i) the total amount of child support
 24 payments collected as a result of services

1 furnished during the fiscal year to individ-
2 uals receiving services under this part;

3 “(ii) the cost to the States and to the
4 Federal Government of so furnishing the
5 services; and

6 “(iii) the number of cases involving
7 families—

8 “(I) who became ineligible for as-
9 sistance under State programs funded
10 under part A during a month in the
11 fiscal year; and

12 “(II) with respect to whom a
13 child support payment was received in
14 the month;”.

15 (2) Section 452(a)(10)(C) (42 U.S.C.
16 652(a)(10)(C)) is amended—

17 (A) in the matter preceding clause (i)—

18 (i) by striking “with the data required
19 under each clause being separately stated
20 for cases” and inserting “separately stated
21 for (1) cases”;

22 (ii) by striking “cases where the child
23 was formerly receiving” and inserting “or
24 formerly received”;

1 (iii) by inserting “or 1912” after
 2 “471(a)(17)”; and

3 (iv) by inserting “(2)” before “all
 4 other”;

5 (B) in each of clauses (i) and (ii), by strik-
 6 ing “, and the total amount of such obliga-
 7 tions”;

8 (C) in clause (iii), by striking “described
 9 in” and all that follows and inserting “in which
 10 support was collected during the fiscal year;”;

11 (D) by striking clause (iv); and

12 (E) by redesignating clause (v) as clause
 13 (vii), and inserting after clause (iii) the follow-
 14 ing new clauses:

15 “(iv) the total amount of support col-
 16 lected during such fiscal year and distrib-
 17 uted as current support;

18 “(v) the total amount of support col-
 19 lected during such fiscal year and distrib-
 20 uted as arrearages;

21 “(vi) the total amount of support due
 22 and unpaid for all fiscal years; and”.

23 (3) Section 452(a)(10)(G) (42 U.S.C.
 24 652(a)(10)(G)) is amended by striking “on the use
 25 of Federal courts and”.

1 (4) Section 452(a)(10) (42 U.S.C. 652(a)(10))

2 is amended—

3 (A) in subparagraph (H), by striking

4 “and”;

5 (B) in subparagraph (I), by striking the

6 period and inserting “; and”; and

7 (C) by inserting after subparagraph (I) the

8 following new subparagraph:

9 “(J) compliance, by State, with the stand-

10 ards established pursuant to subsections (h)

11 and (i).”.

12 (5) Section 452(a)(10) (42 U.S.C. 652(a)(10))

13 is amended by striking all that follows subparagraph

14 (J), as added by paragraph (4).

15 (b) EFFECTIVE DATE.—The amendments made by

16 subsection (a) shall be effective with respect to fiscal year

17 1997 and succeeding fiscal years.

18 **TITLE VI—ESTABLISHMENT AND** 19 **MODIFICATION OF SUPPORT** 20 **ORDERS**

21 **SEC. 601. SIMPLIFIED PROCESS FOR REVIEW AND ADJUST-**

22 **MENT OF CHILD SUPPORT ORDERS.**

23 Section 466(a)(10) (42 U.S.C. 666(a)(10)) is amend-

24 ed to read as follows:

1 “(10) REVIEW AND ADJUSTMENT OF SUPPORT
2 ORDERS UPON REQUEST.—Procedures under which
3 the State may review and adjust each support order
4 being enforced under this part if there is an assign-
5 ment under part A, or shall review and adjust each
6 support order being enforced under this part upon
7 the request of either parent. Such procedures shall
8 provide the following:

9 “(A) IN GENERAL.—

10 “(i) 3-YEAR CYCLE.—Except as pro-
11 vided in subparagraphs (B) and (C), the
12 State shall review and, as appropriate, ad-
13 just the support order every 3 years, tak-
14 ing into account the best interests of the
15 child involved.

16 “(ii) METHODS OF ADJUSTMENT.—
17 The State may elect to review and, if ap-
18 propriate, adjust an order pursuant to
19 clause (i) by—

20 “(I) reviewing and, if appro-
21 priate, adjusting the order in accord-
22 ance with the guidelines established
23 pursuant to section 467(a) if the
24 amount of the child support award
25 under the order differs from the

1 amount that would be awarded in ac-
2 cordance with the guidelines; or

3 “(II) applying a cost-of-living ad-
4 justment to the order in accordance
5 with a formula developed by the State
6 and permit either party to contest the
7 adjustment, within 30 days after the
8 date of the notice of the adjustment,
9 by making a request for review and, if
10 appropriate, adjustment of the order
11 in accordance with the child support
12 guidelines established pursuant to sec-
13 tion 467(a).

14 “(iii) NO PROOF OF CHANGE IN CIR-
15 CUMSTANCES NECESSARY.—Any adjust-
16 ment under this subparagraph (A) shall be
17 made without a requirement for proof or
18 showing of a change in circumstances.

19 “(B) AUTOMATED METHOD.—The State
20 may use automated methods (including auto-
21 mated comparisons with wage or State income
22 tax data) to identify orders eligible for review,
23 conduct the review, identify orders eligible for
24 adjustment, and apply the appropriate adjust-

1 ment to the orders eligible for adjustment
2 under the threshold established by the State.

3 “(C) REQUEST UPON SUBSTANTIAL
4 CHANGE IN CIRCUMSTANCES.—The State shall,
5 at the request of either parent subject to such
6 an order or of any State child support enforce-
7 ment agency, review and, if appropriate, adjust
8 the order in accordance with the guidelines es-
9 tablished pursuant to section 467(a) based
10 upon a substantial change in the circumstances
11 of either parent.

12 “(D) NOTICE OF RIGHT TO REVIEW.—The
13 State shall provide notice not less than once
14 every 3 years to the parents subject to such an
15 order informing them of their right to request
16 the State to review and, if appropriate, adjust
17 the order pursuant to this paragraph. The no-
18 tice may be included in the order.”.

19 **SEC. 602. FURNISHING CONSUMER REPORTS FOR CERTAIN**
20 **PURPOSES RELATING TO CHILD SUPPORT.**

21 Section 604 of the Fair Credit Reporting Act (15
22 U.S.C. 1681b) is amended by adding at the end the follow-
23 ing new paragraphs:

24 “(4) In response to a request by the head of a
25 State or local child support enforcement agency (or

1 a State or local government official authorized by
2 the head of such an agency), if the person making
3 the request certifies to the consumer reporting agen-
4 cy that—

5 “(A) the consumer report is needed for the
6 purpose of establishing an individual’s capacity
7 to make child support payments or determining
8 the appropriate level of such payments;

9 “(B) the paternity of the consumer for the
10 child to which the obligation relates has been
11 established or acknowledged by the consumer in
12 accordance with State laws under which the ob-
13 ligation arises (if required by those laws);

14 “(C) the person has provided at least 10
15 days’ prior notice to the consumer whose report
16 is requested, by certified or registered mail to
17 the last known address of the consumer, that
18 the report will be requested; and

19 “(D) the consumer report will be kept con-
20 fidential, will be used solely for a purpose de-
21 scribed in subparagraph (A), and will not be
22 used in connection with any other civil, admin-
23 istrative, or criminal proceeding, or for any
24 other purpose.

1 “(5) To an agency administering a State plan
 2 under section 454 of the Social Security Act (42
 3 U.S.C. 654) for use to set an initial or modified
 4 child support award.”.

5 **SEC. 603. NONLIABILITY FOR FINANCIAL INSTITUTIONS**
 6 **PROVIDING FINANCIAL RECORDS TO STATE**
 7 **CHILD SUPPORT ENFORCEMENT AGENCIES**
 8 **IN CHILD SUPPORT CASES.**

9 Part D of title IV (42 U.S.C. 651–669) is amended
 10 by adding at the end the following:

11 **“SEC. 469A. NONLIABILITY FOR FINANCIAL INSTITUTIONS**
 12 **PROVIDING FINANCIAL RECORDS TO STATE**
 13 **CHILD SUPPORT ENFORCEMENT AGENCIES**
 14 **IN CHILD SUPPORT CASES.**

15 “(a) IN GENERAL.—Notwithstanding any other pro-
 16 vision of Federal or State law, a financial institution shall
 17 not be liable under any Federal or State law to any person
 18 for disclosing any financial record of an individual to a
 19 State child support enforcement agency attempting to es-
 20 tablish, modify, or enforce a child support obligation of
 21 such individual.

22 “(b) PROHIBITION OF DISCLOSURE OF FINANCIAL
 23 RECORD OBTAINED BY STATE CHILD SUPPORT EN-
 24 FORCEMENT AGENCY.—A State child support enforcement
 25 agency which obtains a financial record of an individual

1 from a financial institution pursuant to subsection (a)
 2 may disclose such financial record only for the purpose
 3 of, and to the extent necessary in, establishing, modifying,
 4 or enforcing a child support obligation of such individual.

5 “(c) CIVIL DAMAGES FOR UNAUTHORIZED DISCLO-
 6 SURE.—

7 “(1) DISCLOSURE BY STATE OFFICER OR EM-
 8 PLOYEE.—If any person knowingly, or by reason of
 9 negligence, discloses a financial record of an individ-
 10 ual in violation of subsection (b), such individual
 11 may bring a civil action for damages against such
 12 person in a district court of the United States.

13 “(2) NO LIABILITY FOR GOOD FAITH BUT ER-
 14 RONEOUS INTERPRETATION.—No liability shall arise
 15 under this subsection with respect to any disclosure
 16 which results from a good faith, but erroneous, in-
 17 terpretation of subsection (b).

18 “(3) DAMAGES.—In any action brought under
 19 paragraph (1), upon a finding of liability on the part
 20 of the defendant, the defendant shall be liable to the
 21 plaintiff in an amount equal to the sum of—

22 “(A) the greater of—

23 “(i) \$1,000 for each act of unauthor-
 24 ized disclosure of a financial record with

1 respect to which such defendant is found
2 liable; or

3 “(ii) the sum of—

4 “(I) the actual damages sus-
5 tained by the plaintiff as a result of
6 such unauthorized disclosure; plus

7 “(II) in the case of a willful dis-
8 closure or a disclosure which is the re-
9 sult of gross negligence, punitive dam-
10 ages; plus

11 “(B) the costs (including attorney’s fees)
12 of the action.

13 “(d) DEFINITIONS.—For purposes of this section—

14 “(1) FINANCIAL INSTITUTION.—The term ‘fi-
15 nancial institution’ means—

16 “(A) a depository institution, as defined in
17 section 3(c) of the Federal Deposit Insurance
18 Act (12 U.S.C. 1813(c));

19 “(B) an institution-affiliated party, as de-
20 fined in section 3(u) of such Act (12 U.S.C.
21 1813(u));

22 “(C) any Federal credit union or State
23 credit union, as defined in section 101 of the
24 Federal Credit Union Act (12 U.S.C. 1752), in-
25 cluding an institution-affiliated party of such a

1 credit union, as defined in section 206(r) of
 2 such Act (12 U.S.C. 1786(r)); and

3 “(D) any benefit association, insurance
 4 company, safe deposit company, money-market
 5 mutual fund, or similar entity authorized to do
 6 business in the State.

7 “(2) FINANCIAL RECORD.—The term “financial
 8 record” has the meaning given such term in section
 9 1101 of the Right to Financial Privacy Act of 1978
 10 (12 U.S.C. 3401).”.

11 **TITLE VII—ENFORCEMENT OF** 12 **SUPPORT ORDERS**

13 **SEC. 701. INTERNAL REVENUE SERVICE COLLECTION OF** 14 **ARREARAGES.**

15 (a) COLLECTION OF FEES.—Section 6305(a) of the
 16 Internal Revenue Code of 1986 (relating to collection of
 17 certain liability) is amended—

18 (1) by striking “and” at the end of paragraph

19 (3);

20 (2) by striking the period at the end of para-
 21 graph (4) and inserting “, and”;

22 (3) by adding at the end the following new
 23 paragraph:

24 “(5) no additional fee may be assessed for ad-
 25 justments to an amount previously certified pursu-

1 ant to such section 452(b) with respect to the same
 2 obligor.”; and

3 (4) by striking “Secretary of Health, Edu-
 4 cation, and Welfare” each place it appears and in-
 5 serting “Secretary of Health and Human Services”.

6 (b) EFFECTIVE DATE.—The amendments made by
 7 this section shall become effective October 1, 1997.

8 **SEC. 702. AUTHORITY TO COLLECT SUPPORT FROM FED-**
 9 **ERAL EMPLOYEES.**

10 (a) CONSOLIDATION AND STREAMLINING OF AU-
 11 THORITIES.—Section 459 (42 U.S.C. 659) is amended to
 12 read as follows:

13 **“SEC. 459. CONSENT BY THE UNITED STATES TO INCOME**
 14 **WITHHOLDING, GARNISHMENT, AND SIMILAR**
 15 **PROCEEDINGS FOR ENFORCEMENT OF CHILD**
 16 **SUPPORT AND ALIMONY OBLIGATIONS.**

17 “(a) CONSENT TO SUPPORT ENFORCEMENT.—Not-
 18 withstanding any other provision of law (including section
 19 207 of this Act and section 5301 of title 38, United States
 20 Code), effective January 1, 1975, moneys (the entitlement
 21 to which is based upon remuneration for employment) due
 22 from, or payable by, the United States or the District of
 23 Columbia (including any agency, subdivision, or instru-
 24 mentality thereof) to any individual, including members
 25 of the Armed Forces of the United States, shall be subject,

1 in like manner and to the same extent as if the United
 2 States or the District of Columbia were a private person,
 3 to withholding in accordance with State law enacted pur-
 4 suant to subsections (a)(1) and (b) of section 466 and reg-
 5 ulations of the Secretary under such subsections, and to
 6 any other legal process brought, by a State agency admin-
 7 istering a program under a State plan approved under this
 8 part or by an individual obligee, to enforce the legal obliga-
 9 tion of the individual to provide child support or alimony.

10 “(b) CONSENT TO REQUIREMENTS APPLICABLE TO
 11 PRIVATE PERSON.—With respect to notice to withhold in-
 12 come pursuant to subsection (a)(1) or (b) of section 466,
 13 or any other order or process to enforce support obliga-
 14 tions against an individual (if the order or process con-
 15 tains or is accompanied by sufficient data to permit
 16 prompt identification of the individual and the moneys in-
 17 volved), each governmental entity specified in subsection
 18 (a) shall be subject to the same requirements as would
 19 apply if the entity were a private person, except as other-
 20 wise provided in this section.

21 “(c) DESIGNATION OF AGENT; RESPONSE TO NOTICE
 22 OR PROCESS—

23 “(1) DESIGNATION OF AGENT.—The head of
 24 each agency subject to this section shall—

1 “(A) designate an agent or agents to re-
2 ceive orders and accept service of process in
3 matters relating to child support or alimony;
4 and

5 “(B) annually publish in the Federal Reg-
6 ister the designation of the agent or agents,
7 identified by title or position, mailing address,
8 and telephone number.

9 “(2) RESPONSE TO NOTICE OR PROCESS.—If an
10 agent designated pursuant to paragraph (1) of this
11 subsection receives notice pursuant to State proce-
12 dures in effect pursuant to subsection (a)(1) or (b)
13 of section 466, or is effectively served with any
14 order, process, or interrogatory, with respect to an
15 individual’s child support or alimony payment obli-
16 gations, the agent shall—

17 “(A) as soon as possible (but not later
18 than 15 days) thereafter, send written notice of
19 the notice or service (together with a copy of
20 the notice or service) to the individual at the
21 duty station or last-known home address of the
22 individual;

23 “(B) within 30 days (or such longer period
24 as may be prescribed by applicable State law)
25 after receipt of a notice pursuant to such State

1 procedures, comply with all applicable provi-
2 sions of section 466; and

3 “(C) within 30 days (or such longer period
4 as may be prescribed by applicable State law)
5 after effective service of any other such order,
6 process, or interrogatory, respond to the order,
7 process, or interrogatory.

8 “(d) PRIORITY OF CLAIMS.—If a governmental entity
9 specified in subsection (a) receives notice or is served with
10 process, as provided in this section, concerning amounts
11 owed by an individual to more than 1 person—

12 “(1) support collection under section 466(b)
13 must be given priority over any other process, as
14 provided in section 466(b)(7);

15 “(2) allocation of moneys due or payable to an
16 individual among claimants under section 466(b)
17 shall be governed by section 466(b) and the regula-
18 tions prescribed under such section; and

19 “(3) such moneys as remain after compliance
20 with paragraphs (1) and (2) shall be available to
21 satisfy any other such processes on a first-come,
22 first-served basis, with any such process being satis-
23 fied out of such moneys as remain after the satisfac-
24 tion of all such processes which have been previously
25 served.

1 “(e) NO REQUIREMENT TO VARY PAY CYCLES.—A
2 governmental entity that is affected by legal process
3 served for the enforcement of an individual’s child support
4 or alimony payment obligations shall not be required to
5 vary its normal pay and disbursement cycle in order to
6 comply with the legal process.

7 “(f) RELIEF FROM LIABILITY.—

8 “(1) Neither the United States, nor the govern-
9 ment of the District of Columbia, nor any disbursing
10 officer shall be liable with respect to any payment
11 made from moneys due or payable from the United
12 States to any individual pursuant to legal process
13 regular on its face, if the payment is made in ac-
14 cordance with this section and the regulations issued
15 to carry out this section.

16 “(2) No Federal employee whose duties include
17 taking actions necessary to comply with the require-
18 ments of subsection (a) with regard to any individ-
19 ual shall be subject under any law to any discipli-
20 nary action or civil or criminal liability or penalty
21 for, or on account of, any disclosure of information
22 made by the employee in connection with the carry-
23 ing out of such actions.

24 “(g) REGULATIONS.—Authority to promulgate regu-
25 lations for the implementation of this section shall, insofar

1 as this section applies to moneys due from (or payable
2 by)—

3 “(1) the United States (other than the legisla-
4 tive or judicial branches of the Federal Government)
5 or the government of the District of Columbia, be
6 vested in the President (or the designee of the Presi-
7 dent);

8 “(2) the legislative branch of the Federal Gov-
9 ernment, be vested jointly in the President pro tem-
10 pore of the Senate and the Speaker of the House of
11 Representatives (or their designees), and

12 “(3) the judicial branch of the Federal Govern-
13 ment, be vested in the Chief Justice of the United
14 States (or the designee of the Chief Justice).

15 “(h) MONEYS SUBJECT TO PROCESS.—

16 “(1) IN GENERAL.—Subject to paragraph (2),
17 moneys paid or payable to an individual which are
18 considered to be based upon remuneration for em-
19 ployment, for purposes of this section—

20 “(A) consist of—

21 “(i) compensation paid or payable for
22 personal services of the individual, whether
23 the compensation is denominated as wages,
24 salary, commission, bonus, pay, allowances,

1 or otherwise (including severance pay, sick
2 pay, and incentive pay);

3 “(ii) periodic benefits (including a
4 periodic benefit as defined in section
5 228(h)(3)) or other payments—

6 “(I) under the insurance system
7 established by title II;

8 “(II) under any other system or
9 fund established by the United States
10 which provides for the payment of
11 pensions, retirement or retired pay,
12 annuities, dependents’ or survivors’
13 benefits, or similar amounts payable
14 on account of personal services per-
15 formed by the individual or any other
16 individual;

17 “(III) as compensation for death
18 under any Federal program;

19 “(IV) under any Federal pro-
20 gram established to provide ‘black
21 lung’ benefits; or

22 “(V) by the Secretary of Veter-
23 ans Affairs as compensation for a
24 service-connected disability paid by
25 the Secretary to a former member of

1 the Armed Forces who is in receipt of
 2 retired or retainer pay if the former
 3 member has waived a portion of the
 4 retired or retainer pay in order to re-
 5 ceive such compensation; and

6 “(iii) worker’s compensation benefits
 7 paid under Federal or State law but

8 “(B) do not include any payment—

9 “(i) by way of reimbursement or oth-
 10 erwise, to defray expenses incurred by the
 11 individual in carrying out duties associated
 12 with the employment of the individual; or

13 “(ii) as allowances for members of the
 14 uniformed services payable pursuant to
 15 chapter 7 of title 37, United States Code,
 16 as prescribed by the Secretaries concerned
 17 (defined by section 101(5) of such title) as
 18 necessary for the efficient performance of
 19 duty.

20 “(2) CERTAIN AMOUNTS EXCLUDED.—In deter-
 21 mining the amount of any moneys due from, or pay-
 22 able by, the United States to any individual, there
 23 shall be excluded amounts which—

24 “(A) are owed by the individual to the
 25 United States;

1 “(B) are required by law to be, and are,
2 deducted from the remuneration or other pay-
3 ment involved, including Federal employment
4 taxes, and fines and forfeitures ordered by
5 court-martial;

6 “(C) are properly withheld for Federal,
7 State, or local income tax purposes, if the with-
8 holding of the amounts is authorized or re-
9 quired by law and if amounts withheld are not
10 greater than would be the case if the individual
11 claimed all dependents to which he was entitled
12 (the withholding of additional amounts pursu-
13 ant to section 3402(i) of the Internal Revenue
14 Code of 1986 may be permitted only when the
15 individual presents evidence of a tax obligation
16 which supports the additional withholding);

17 “(D) are deducted as health insurance pre-
18 miums;

19 “(E) are deducted as normal retirement
20 contributions (not including amounts deducted
21 for supplementary coverage); or

22 “(F) are deducted as normal life insurance
23 premiums from salary or other remuneration
24 for employment (not including amounts de-
25 ducted for supplementary coverage).

1 “(i) DEFINITIONS.—For purposes of this section—

2 “(1) UNITED STATES.—The term ‘United
3 States’ includes any department, agency, or instru-
4 mentality of the legislative, judicial, or executive
5 branch of the Federal Government, the United
6 States Postal Service, the Postal Rate Commission,
7 any Federal corporation created by an Act of Con-
8 gress that is wholly owned by the Federal Govern-
9 ment, and the governments of the territories and
10 possessions of the United States.

11 “(2) CHILD SUPPORT.—The term ‘child sup-
12 port’, when used in reference to the legal obligations
13 of an individual to provide such support, means
14 amounts required to be paid under a judgment, de-
15 cree, or order, whether temporary, final, or subject
16 to modification, issued by a court or an administra-
17 tive agency of competent jurisdiction, for the sup-
18 port and maintenance of a child, including a child
19 who has attained the age of majority under the law
20 of the issuing State, or a child and the parent with
21 whom the child is living, which provides for mone-
22 tary support, health care, arrearages or reimburse-
23 ment, and which may include other related costs and
24 fees, interest and penalties, income withholding, at-
25 torney’s fees, and other relief.

1 “(3) ALIMONY.—

2 “(A) IN GENERAL.—The term ‘alimony’,
3 when used in reference to the legal obligations
4 of an individual to provide the same, means
5 periodic payments of funds for the support and
6 maintenance of the spouse (or former spouse)
7 of the individual, and (subject to and in accord-
8 ance with State law) includes separate mainte-
9 nance, alimony pendente lite, maintenance, and
10 spousal support, and includes attorney’s fees,
11 interest, and court costs when and to the extent
12 that the same are expressly made recoverable as
13 such pursuant to a decree, order, or judgment
14 issued in accordance with applicable State law
15 by a court of competent jurisdiction.

16 “(B) EXCEPTIONS.—Such term does not
17 include—

18 “(i) any child support; or

19 “(ii) any payment or transfer of prop-
20 erty or its value by an individual to the
21 spouse or a former spouse of the individual
22 in compliance with any community prop-
23 erty settlement, equitable distribution of
24 property, or other division of property be-
25 tween spouses or former spouses.

1 “(4) PRIVATE PERSON.—The term ‘private per-
 2 son’ means a person who does not have sovereign or
 3 other special immunity or privilege which causes the
 4 person not to be subject to legal process.

5 “(5) LEGAL PROCESS.—The term ‘legal proc-
 6 ess’ means any writ, order, summons, or other simi-
 7 lar process in the nature of garnishment—

8 “(A) which is issued by—

9 “(i) a court or an administrative
 10 agency of competent jurisdiction in any
 11 State, territory, or possession of the
 12 United States;

13 “(ii) a court or an administrative
 14 agency of competent jurisdiction in any
 15 foreign country with which the United
 16 States has entered into an agreement
 17 which requires the United States to honor
 18 the process; or

19 “(iii) an authorized official pursuant
 20 to an order of such a court or an adminis-
 21 trative agency of competent jurisdiction or
 22 pursuant to State or local law; and

23 “(B) which is directed to, and the purpose
 24 of which is to compel, a governmental entity
 25 which holds moneys which are otherwise pay-

1 able to an individual to make a payment from
 2 the moneys to another party in order to satisfy
 3 a legal obligation of the individual to provide
 4 child support or make alimony payments.”.

5 (b) CONFORMING AMENDMENTS.—

6 (1) TO PART D OF TITLE IV.—Sections 461 and
 7 462 (42 U.S.C. 661 and 662) are repealed.

8 (2) TO TITLE 5, UNITED STATES CODE.—Sec-
 9 tion 5520a of title 5, United States Code, is amend-
 10 ed, in subsections (h)(2) and (i), by striking “sec-
 11 tions 459, 461, and 462 of the Social Security Act
 12 (42 U.S.C. 659, 661, and 662)” and inserting “sec-
 13 tion 459 of the Social Security Act (42 U.S.C.
 14 659)”.

15 (c) MILITARY RETIRED AND RETAINER PAY.—

16 (1) DEFINITION OF COURT.—Section
 17 1408(a)(1) of title 10, United States Code, is
 18 amended—

19 (A) by striking “and” at the end of sub-
 20 paragraph (B);

21 (B) by striking the period at the end of
 22 subparagraph (C) and inserting “; and”; and

23 (C) by adding after subparagraph (C) the
 24 following new subparagraph:

“(D) any administrative or judicial tribunal of a State competent to enter orders for support or maintenance (including a State agency administering a program under a State plan approved under part D of title IV of the Social Security Act), and, for purposes of this subparagraph, the term ‘State’ includes the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.”.

(2) DEFINITION OF COURT ORDER.—Section 1408(a)(2) of such title is amended—

(A) by inserting “or a support order, as defined in section 453(p) of the Social Security Act (42 U.S.C. 653(p)),” before “which—”;

(B) in subparagraph (B)(i), by striking “(as defined in section 462(b) of the Social Security Act (42 U.S.C. 662(b)))” and inserting “(as defined in section 459(i)(2) of the Social Security Act (42 U.S.C. 659(i)(2)))”; and

(C) in subparagraph (B)(ii), by striking “(as defined in section 462(c) of the Social Security Act (42 U.S.C. 662(c)))” and inserting “(as defined in section 459(i)(3) of the Social Security Act (42 U.S.C. 659(i)(3)))”.

1 (3) PUBLIC PAYEE.—Section 1408(d) of such
2 title is amended—

3 (A) in the heading, by inserting “(OR FOR
4 BENEFIT OF)” before “SPOUSE OR”; and

5 (B) in paragraph (1), in the 1st sentence,
6 by inserting “(or for the benefit of such spouse
7 or former spouse to a State disbursement unit
8 established pursuant to section 454B of the So-
9 cial Security Act or other public payee des-
10 ignated by a State, in accordance with part D
11 of title IV of the Social Security Act, as di-
12 rected by court order, or as otherwise directed
13 in accordance with such part D)” before “in an
14 amount sufficient”.

15 (4) RELATIONSHIP TO PART D OF TITLE IV.—
16 Section 1408 of such title is amended by adding at
17 the end the following new subsection:

18 “(j) RELATIONSHIP TO OTHER LAWS.—In any case
19 involving an order providing for payment of child support
20 (as defined in section 459(i)(2) of the Social Security Act)
21 by a member who has never been married to the other
22 parent of the child, the provisions of this section shall not
23 apply, and the case shall be subject to the provisions of
24 section 459 of such Act.”.

1 (d) EFFECTIVE DATE.—The amendments made by
2 this section shall become effective 6 months after the date
3 of the enactment of this Act.

4 **SEC. 703. ENFORCEMENT OF CHILD SUPPORT OBLIGA-**
5 **TIONS OF MEMBERS OF THE ARMED FORCES.**

6 (a) AVAILABILITY OF LOCATOR INFORMATION.—

7 (1) MAINTENANCE OF ADDRESS INFORMA-
8 TION.—The Secretary of Defense shall establish a
9 centralized personnel locator service that includes
10 the address of each member of the Armed Forces
11 under the jurisdiction of the Secretary. Upon re-
12 quest of the Secretary of Transportation, addresses
13 for members of the Coast Guard shall be included in
14 the centralized personnel locator service.

15 (2) TYPE OF ADDRESS.—

16 (A) RESIDENTIAL ADDRESS.—Except as
17 provided in subparagraph (B), the address for
18 a member of the Armed Forces shown in the lo-
19 cator service shall be the residential address of
20 that member.

21 (B) DUTY ADDRESS.—The address for a
22 member of the Armed Forces shown in the loca-
23 tor service shall be the duty address of that
24 member in the case of a member—

1 (i) who is permanently assigned over-
2 seas, to a vessel, or to a routinely
3 deployable unit; or

4 (ii) with respect to whom the Sec-
5 retary concerned makes a determination
6 that the member's residential address
7 should not be disclosed due to national se-
8 curity or safety concerns.

9 (3) UPDATING OF LOCATOR INFORMATION.—

10 Within 30 days after a member listed in the locator
11 service establishes a new residential address (or a
12 new duty address, in the case of a member covered
13 by paragraph (2)(B)), the Secretary concerned shall
14 update the locator service to indicate the new ad-
15 dress of the member.

16 (4) AVAILABILITY OF INFORMATION.—The Sec-
17 retary of Defense shall make information regarding
18 the address of a member of the Armed Forces listed
19 in the locator service available, on request, to the
20 Federal Parent Locator Service established under
21 section 453 of the Social Security Act.

22 (b) FACILITATING GRANTING OF LEAVE FOR AT-
23 TENDANCE AT HEARINGS.—

24 (1) REGULATIONS.—The Secretary of each
25 military department, and the Secretary of Transpor-

1 tation with respect to the Coast Guard when it is
2 not operating as a service in the Navy, shall pre-
3 scribe regulations to facilitate the granting of leave
4 to a member of the Armed Forces under the juris-
5 diction of that Secretary in a case in which—

6 (A) the leave is needed for the member to
7 attend a hearing described in paragraph (2);

8 (B) the member is not serving in or with
9 a unit deployed in a contingency operation (as
10 defined in section 101 of title 10, United States
11 Code); and

12 (C) the exigencies of military service (as
13 determined by the Secretary concerned) do not
14 otherwise require that such leave not be grant-
15 ed.

16 (2) COVERED HEARINGS.—Paragraph (1) ap-
17 plies to a hearing that is conducted by a court or
18 pursuant to an administrative process established
19 under State law, in connection with a civil action—

20 (A) to determine whether a member of the
21 Armed Forces is a natural parent of a child; or

22 (B) to determine an obligation of a mem-
23 ber of the Armed Forces to provide child sup-
24 port.

1 (3) DEFINITIONS.—For purposes of this sub-
2 section—

3 (A) The term “court” has the meaning
4 given that term in section 1408(a) of title 10,
5 United States Code.

6 (B) The term “child support” has the
7 meaning given such term in section 459(i) of
8 the Social Security Act (42 U.S.C. 659(i)).

9 (c) PAYMENT OF MILITARY RETIRED PAY IN COM-
10 PLIANCE WITH CHILD SUPPORT ORDERS.—

11 (1) DATE OF CERTIFICATION OF COURT
12 ORDER.—Section 1408 of title 10, United States
13 Code, as amended by section 702(c)(4) of this Act,
14 is amended—

15 (A) by redesignating subsections (i) and (j)
16 as subsections (j) and (k), respectively; and

17 (B) by inserting after subsection (h) the
18 following new subsection:

19 “(i) CERTIFICATION DATE.—It is not necessary that
20 the date of a certification of the authenticity or complete-
21 ness of a copy of a court order for child support received
22 by the Secretary concerned for the purposes of this section
23 be recent in relation to the date of receipt by the Sec-
24 retary.”.

1 (2) PAYMENTS CONSISTENT WITH ASSIGN-
2 MENTS OF RIGHTS TO STATES.—Section 1408(d)(1)
3 of such title is amended by inserting after the 1st
4 sentence the following new sentence: “In the case of
5 a spouse or former spouse who, pursuant to section
6 408(a)(4) of the Social Security Act (42 U.S.C.
7 608(a)(4)), assigns to a State the rights of the
8 spouse or former spouse to receive support, the Sec-
9 retary concerned may make the child support pay-
10 ments referred to in the preceding sentence to that
11 State in amounts consistent with that assignment of
12 rights.”.

13 (3) ARREARAGES OWED BY MEMBERS OF THE
14 UNIFORMED SERVICES.—Section 1408(d) of such
15 title is amended by adding at the end the following
16 new paragraph:

17 “(6) In the case of a court order for which effective
18 service is made on the Secretary concerned on or after
19 the date of the enactment of this paragraph and which
20 provides for payments from the disposable retired pay of
21 a member to satisfy the amount of child support set forth
22 in the order, the authority provided in paragraph (1) to
23 make payments from the disposable retired pay of a mem-
24 ber to satisfy the amount of child support set forth in a
25 court order shall apply to payment of any amount of child

1 support arrearages set forth in that order as well as to
 2 amounts of child support that currently become due.”.

3 (4) PAYROLL DEDUCTIONS.—The Secretary of
 4 Defense shall begin payroll deductions within 30
 5 days after receiving notice of withholding, or for the
 6 1st pay period that begins after such 30-day period.

7 **SEC. 704. VOIDING OF FRAUDULENT TRANSFERS.**

8 Section 466 (42 U.S.C. 666), as amended by section
 9 301 of this Act, is amended by adding at the end the fol-
 10 lowing new subsection:

11 “(g) LAWS VOIDING FRAUDULENT TRANSFERS.—In
 12 order to satisfy section 454(20)(A), each State must have
 13 in effect—

14 “(1)(A) the Uniform Fraudulent Conveyance
 15 Act of 1981;

16 “(B) the Uniform Fraudulent Transfer Act
 17 of 1984; or

18 “(C) another law, specifying indicia of
 19 fraud which create a prima facie case that a
 20 debtor transferred income or property to avoid
 21 payment to a child support creditor, which the
 22 Secretary finds affords comparable rights to
 23 child support creditors; and

24 “(2) procedures under which, in any case in
 25 which the State knows of a transfer by a child sup-

1 port debtor with respect to which such a prima facie
 2 case is established, the State must—

3 “(A) seek to void such transfer; or

4 “(B) obtain a settlement in the best inter-
 5 ests of the child support creditor.”.

6 **SEC. 705. WORK REQUIREMENT FOR PERSONS OWING**
 7 **PAST-DUE CHILD SUPPORT.**

8 (a) IN GENERAL.—Section 466(a) (42 U.S.C.
 9 666(a)), as amended by sections 205, 207(a), and 303 of
 10 this Act, is amended by adding at the end the following
 11 new paragraph:

12 “(15) PROCEDURES TO ENSURE THAT PERSONS
 13 OWING PAST-DUE SUPPORT WORK OR HAVE A PLAN
 14 FOR PAYMENT OF SUCH SUPPORT.—

15 “(A) IN GENERAL.—Procedures under
 16 which the State has the authority, in any case
 17 in which an individual owes past-due support
 18 with respect to a child receiving assistance
 19 under a State program funded under part A, to
 20 issue an order or to request that a court or an
 21 administrative process established pursuant to
 22 State law issue an order that requires the indi-
 23 vidual to—

24 “(i) pay such support in accordance
 25 with a plan approved by the court, or, at

1 the option of the State, a plan approved by
2 the State agency administering the State
3 program under this part; or

4 “(ii) if the individual is subject to
5 such a plan and is not incapacitated, par-
6 ticipate in such work activities (as defined
7 in section 407(d)) as the court, or, at the
8 option of the State, the State agency ad-
9 ministering the State program under this
10 part, deems appropriate.

11 “(B) PAST-DUE SUPPORT DEFINED.—For
12 purposes of subparagraph (A), the term ‘past-
13 due support’ means the amount of a delin-
14 quency, determined under a court order, or an
15 order of an administrative process established
16 under State law, for support and maintenance
17 of a child, or of a child and the parent with
18 whom the child is living.”.

19 (b) CONFORMING AMENDMENT.—The flush para-
20 graph at the end of section 466(a) (42 U.S.C.666(a)) is
21 amended by striking “and (7)” and inserting “(7), and
22 (15)”.

1 **SEC. 706. DEFINITION OF SUPPORT ORDER.**

2 Section 453 (42 U.S.C. 653) as amended by sections
3 206 and 505(b) of this Act, is amended by adding at the
4 end the following new subsection:

5 “(p) **SUPPORT ORDER DEFINED.**—As used in this
6 part, the term ‘support order’ means a judgment, decree,
7 or order, whether temporary, final, or subject to modifica-
8 tion, issued by a court or an administrative agency of com-
9 petent jurisdiction, for the support and maintenance of a
10 child, including a child who has attained the age of major-
11 ity under the law of the issuing State, or a child and the
12 parent with whom the child is living, which provides for
13 monetary support, health care, arrearages, or reimburse-
14 ment, and which may include related costs and fees, inter-
15 est and penalties, income withholding, attorneys’ fees, and
16 other relief.”.

17 **SEC. 707. REPORTING ARREARAGES TO CREDIT BUREAUS.**

18 Section 466(a)(7) (42 U.S.C. 666(a)(7)) is amended
19 to read as follows:

20 “(7) **REPORTING ARREARAGES TO CREDIT BU-**
21 **REAUS.**—

22 “(A) **IN GENERAL.**—Procedures (subject to
23 safeguards pursuant to subparagraph (B)) re-
24 quiring the State to report periodically to
25 consumer reporting agencies (as defined in sec-
26 tion 603(f) of the Fair Credit Reporting Act

1 (15 U.S.C. 1681a(f)) the name of any non-
 2 custodial parent who is delinquent in the pay-
 3 ment of support, and the amount of overdue
 4 support owed by such parent.

5 “(B) SAFEGUARDS.—Procedures ensuring
 6 that, in carrying out subparagraph (A), infor-
 7 mation with respect to a noncustodial parent is
 8 reported—

9 “(i) only after such parent has been
 10 afforded all due process required under
 11 State law, including notice and a reason-
 12 able opportunity to contest the accuracy of
 13 such information; and

14 “(ii) only to an entity that has fur-
 15 nished evidence satisfactory to the State
 16 that the entity is a consumer reporting
 17 agency (as so defined).”.

18 **SEC. 708. LIENS.**

19 Section 466(a)(4) (42 U.S.C. 666(a)(4)) is amended
 20 to read as follows:

21 “(4) LIENS.—Procedures under which—

22 “(A) liens arise by operation of law against
 23 real and personal property for amounts of over-
 24 due support owed by a noncustodial parent who
 25 resides or owns property in the State; and

1 “(B) the State accords full faith and credit
2 to liens described in subparagraph (A) arising
3 in another State, when the State agency, party,
4 or other entity seeking to enforce such a lien
5 complies with the procedural rules relating to
6 recording or serving liens that arise within the
7 State, except that such rules may not require
8 judicial notice or hearing prior to the enforce-
9 ment of such a lien.”.

10 **SEC. 709. STATE LAW AUTHORIZING SUSPENSION OF LI-**
11 **CENSES.**

12 Section 466(a) (42 U.S.C. 666(a)), as amended by
13 sections 205, 207(a), 303, and 705 of this Act, is amended
14 by adding at the end the following:

15 “(16) **AUTHORITY TO WITHHOLD OR SUSPEND**
16 **LICENSES.**—Procedures under which the State has
17 (and uses in appropriate cases) authority to withhold
18 or suspend, or to restrict the use of driver’s licenses,
19 professional and occupational licenses, and rec-
20 reational licenses of individuals owing overdue sup-
21 port or failing, after receiving appropriate notice, to
22 comply with subpoenas or warrants relating to pa-
23 ternity or child support proceedings.”.

1 **SEC. 710. DENIAL OF PASSPORTS FOR NONPAYMENT OF**
2 **CHILD SUPPORT.**

3 (a) HHS CERTIFICATION PROCEDURE.—

4 (1) SECRETARIAL RESPONSIBILITY.—Section
5 452 (42 U.S.C. 652), as amended by section 505 of
6 this Act, is amended by adding at the end the fol-
7 lowing new subsection:

8 “(k)(1) If the Secretary receives a certification by a
9 State agency in accordance with the requirements of sec-
10 tion 454(31) that an individual owes arrearages of child
11 support in an amount exceeding \$5,000, the Secretary
12 shall transmit such certification to the Secretary of State
13 for action (with respect to denial, revocation, or limitation
14 of passports) pursuant paragraph (2).

15 “(2) The Secretary of State shall, upon certification
16 by the Secretary transmitted under paragraph (1), refuse
17 to issue a passport to such individual, and may revoke,
18 restrict, or limit a passport issued previously to such indi-
19 vidual.

20 “(3) The Secretary and the Secretary of State shall
21 not be liable to an individual for any action with respect
22 to a certification by a State agency under this section.”.

23 (2) STATE AGENCY RESPONSIBILITY.—Section
24 454 (42 U.S.C. 654), as amended by sections
25 101(b), 103(a), 202(b), 203(a), 403, and 503(b) of
26 this Act, is amended—

1 (A) by striking “and” at the end of para-
2 graph (29);

3 (B) by striking the period at the end of
4 paragraph (30) and inserting “; and”; and

5 (C) by adding after paragraph (30) the fol-
6 lowing new paragraph:

7 “(31) provide that the State agency will have in
8 effect a procedure for certifying to the Secretary, for
9 purposes of the procedure under section 452(k), de-
10 terminations that individuals owe arrearages of child
11 support in an amount exceeding \$5,000, under
12 which procedure—

13 “(A) each individual concerned is afforded
14 notice of such determination and the con-
15 sequences thereof, and an opportunity to con-
16 test the determination; and

17 “(B) the certification by the State agency
18 is furnished to the Secretary in such format,
19 and accompanied by such supporting docu-
20 mentation, as the Secretary may require.”.

21 (b) EFFECTIVE DATE.—This section and the amend-
22 ments made by this section shall become effective October
23 1, 1997.

1 **SEC. 711. INTERNATIONAL SUPPORT ENFORCEMENT.**

2 (a) AUTHORITY FOR INTERNATIONAL AGREE-
 3 MENTS.—Part D of title IV, as amended by section 702(a)
 4 of this Act, is amended by adding after section 459 the
 5 following new section:

6 **“SEC. 459A. INTERNATIONAL SUPPORT ENFORCEMENT.**

7 “(a) AUTHORITY FOR DECLARATIONS.—

8 “(1) DECLARATION.—The Secretary of State,
 9 with the concurrence of the Secretary of Health and
 10 Human Services, is authorized to declare any foreign
 11 country (or a political subdivision thereof) to be a
 12 foreign reciprocating country if the foreign country
 13 has established, or undertakes to establish, proce-
 14 dures for the establishment and enforcement of du-
 15 ties of support owed to obligees who are residents of
 16 the United States, and such procedures are substan-
 17 tially in conformity with the standards prescribed
 18 under subsection (b).

19 “(2) REVOCATION.—A declaration with respect
 20 to a foreign country made pursuant to paragraph
 21 (1) may be revoked if the Secretaries of State and
 22 Health and Human Services determine that—

23 “(A) the procedures established by the for-
 24 eign country regarding the establishment and
 25 enforcement of duties of support have been so
 26 changed, or the foreign country’s implementa-

1 tion of such procedures is so unsatisfactory,
 2 that such procedures do not meet the criteria
 3 for such a declaration; or

4 “(B) continued operation of the declaration
 5 is not consistent with the purposes of this part.

6 “(3) FORM OF DECLARATION.—A declaration
 7 under paragraph (1) may be made in the form of an
 8 international agreement, in connection with an inter-
 9 national agreement or corresponding foreign declara-
 10 tion, or on a unilateral basis.

11 “(b) STANDARDS FOR FOREIGN SUPPORT ENFORCE-
 12 MENT PROCEDURES.—

13 “(1) MANDATORY ELEMENTS.—Support en-
 14 forcement procedures of a foreign country which
 15 may be the subject of a declaration pursuant to sub-
 16 section (a)(1) shall include the following elements:

17 “(A) The foreign country (or political sub-
 18 division thereof) has in effect procedures, avail-
 19 able to residents of the United States—

20 “(i) for establishment of paternity,
 21 and for establishment of orders of support
 22 for children and custodial parents; and

23 “(ii) for enforcement of orders to pro-
 24 vide support to children and custodial par-
 25 ents, including procedures for collection

1 and appropriate distribution of child sup-
2 port payments under such orders.

3 “(B) The procedures described in subpara-
4 graph (A), including legal and administrative
5 assistance, are provided to residents of the
6 United States at no cost.

7 “(C) An agency of the foreign country is
8 designated as a Central Authority responsible
9 for—

10 “(i) facilitating support enforcement in cases
11 involving residents of the foreign country and resi-
12 dents of the United States; and

13 “(ii) ensuring compliance with the standards es-
14 tablished pursuant to this subsection.

15 “(2) ADDITIONAL ELEMENTS.—The Secretary
16 of Health and Human Services and the Secretary of
17 State, in consultation with the States, may establish
18 such additional standards as may be considered nec-
19 essary to further the purposes of this section.

20 “(c) DESIGNATION OF UNITED STATES CENTRAL
21 AUTHORITY.—It shall be the responsibility of the Sec-
22 retary of Health and Human Services to facilitate support
23 enforcement in cases involving residents of the United
24 States and residents of foreign countries that are the sub-

1 ject of a declaration under this section, by activities in-
 2 cluding—

3 “(1) development of uniform forms and proce-
 4 dures for use in such cases;

5 “(2) notification of foreign reciprocating coun-
 6 tries of the State of residence of individuals sought
 7 for support enforcement purposes, on the basis of in-
 8 formation provided by the Federal Parent Locator
 9 Service; and

10 “(3) such other oversight, assistance, and co-
 11 ordination activities as the Secretary may find nec-
 12 essary and appropriate.

13 “(d) EFFECT ON OTHER LAWS.—States may enter
 14 into reciprocal arrangements for the establishment and en-
 15 forcement of support obligations with foreign countries
 16 that are not the subject of a declaration pursuant to sub-
 17 section (a), to the extent consistent with Federal law.”.

18 (b) STATE PLAN REQUIREMENT.—Section 454 (42
 19 U.S.C. 654), as amended by sections 101(b), 103(a),
 20 202(b), 203(a), 403, 503(b), and 710(a)(2) of this Act,
 21 is amended—

22 (1) by striking “and” at the end of paragraph
 23 (30);

24 (2) by striking the period at the end of para-
 25 graph (31) and inserting “; and”; and

1 (3) by adding after paragraph (31) the follow-
2 ing new paragraph:

3 “(32)(A) provide that any request for services
4 under this part by a foreign reciprocating country or
5 a foreign country with which the State has an ar-
6 rangement described in section 459A(d)(2) shall be
7 treated as a request by a State;

8 “(B) provide, at State option, notwithstanding
9 paragraph (4) or any other provision of this part,
10 for services under the plan for enforcement of a
11 spousal support order not described in paragraph
12 (4)(B) entered by such a country (or subdivision);
13 and

14 “(C) provide that no applications will be re-
15 quired from, and no costs will be assessed for such
16 services against, the foreign reciprocating country or
17 foreign obligee (but costs may at State option be as-
18 sessed against the obligor).”.

19 **SEC. 712. FINANCIAL INSTITUTION DATA MATCHES.**

20 Section 466(a) (42 U.S.C. 666(a)), as amended by
21 sections 205, 207(a), 303, 705, and 709 of this Act, is
22 amended by adding at the end the following new para-
23 graph:

24 “(17) FINANCIAL INSTITUTION DATA
25 MATCHES.—

1 “(A) IN GENERAL.—Procedures under
2 which the State agency shall enter into agree-
3 ments with financial institutions doing business
4 in the State—

5 “(i) to develop and operate, in coordi-
6 nation with such financial institutions, a
7 data match system, using automated data
8 exchanges to the maximum extent feasible,
9 in which each such financial institution is
10 required to provide for each calendar quar-
11 ter the name, record address, social secu-
12 rity number or other taxpayer identifica-
13 tion number, and other identifying infor-
14 mation for each noncustodial parent who
15 maintains an account at such institution
16 and who owes past-due support, as identi-
17 fied by the State by name and social secu-
18 rity number or other taxpayer identifica-
19 tion number; and

20 “(ii) in response to a notice of lien or
21 levy, encumber or surrender, as the case
22 may be, assets held by such institution on
23 behalf of any noncustodial parent who is
24 subject to a child support lien pursuant to
25 paragraph (4).

1 “(B) REASONABLE FEES.—The State
2 agency may pay a reasonable fee to a financial
3 institution for conducting the data match pro-
4 vided for in subparagraph (A)(i), not to exceed
5 the actual costs incurred by such financial insti-
6 tution.

7 “(C) LIABILITY.—A financial institution
8 shall not be liable under any Federal or State
9 law to any person—

10 “(i) for any disclosure of information
11 to the State agency under subparagraph
12 (A)(i);

13 “(ii) for encumbering or surrendering
14 any assets held by such financial institu-
15 tion in response to a notice of lien or levy
16 issued by the State agency as provided for
17 in subparagraph (A)(ii); or

18 “(iii) for any other action taken in
19 good faith to comply with the requirements
20 of subparagraph (A).

21 “(D) DEFINITIONS.—For purposes of this
22 paragraph—

23 “(i) FINANCIAL INSTITUTION.—The
24 term ‘financial institution’ has the mean-

ing given to such term by section
469A(d)(1).

“(ii) ACCOUNT.—The term ‘account’
means a demand deposit account, checking
or negotiable withdrawal order account,
savings account, time deposit account, or
money-market mutual fund account.”.

**SEC. 713. ENFORCEMENT OF ORDERS AGAINST PATERNAL
OR MATERNAL GRANDPARENTS IN CASES OF
MINOR PARENTS.**

Section 466(a) (42 U.S.C. 666(a)), as amended by
sections 205, 207(a), 303, 705, 709, and 712 of this Act,
is amended by adding at the end the following new para-
graph:

“(18) ENFORCEMENT OF ORDERS AGAINST PA-
TERNAL OR MATERNAL GRANDPARENTS.—Proce-
dures under which, at the State’s option, any child
support order enforced under this part with respect
to a child of minor parents, if the custodial parent
of such child is receiving assistance under the State
program under part A, shall be enforceable, jointly
and severally, against the parents of the noncusto-
dial parent of such child.”.

1 **SEC. 714. NONDISCHARGEABILITY IN BANKRUPTCY OF**
 2 **CERTAIN DEBTS FOR THE SUPPORT OF A**
 3 **CHILD.**

4 (a) AMENDMENT TO TITLE 11 OF THE UNITED
 5 STATES CODE.—Section 523(a) of title 11, United States
 6 Code, is amended—

7 (1) in paragraph (16) by striking the period at
 8 the end and inserting “; or”,

9 (2) by adding at the end the following:

10 “(17) owed under State law to a State or mu-
 11 nicipality that is—

12 “(A) in the nature of support, and

13 “(B) enforceable under part D of title IV
 14 of the Social Security Act (42 U.S.C. 601 et
 15 seq.).”, and

16 (3) in paragraph (5), by striking “section
 17 402(a)(26)” and inserting “section 408(a)(4)”.

18 (b) AMENDMENT TO THE SOCIAL SECURITY ACT.—
 19 Section 456(b) (42 U.S.C. 656(b)) is amended to read as
 20 follows:

21 “(b) NONDISCHARGEABILITY.—A debt (as defined in
 22 section 101 of title 11 of the United States Code) owed
 23 under State law to a State (as defined in such section)
 24 or municipality (as defined in such section) that is in the
 25 nature of support and that is enforceable under this part

1 is not released by a discharge in bankruptcy under title
2 11 of the United States Code.”.

3 (c) APPLICATION OF AMENDMENTS.—The amend-
4 ments made by this section shall apply only with respect
5 to cases commenced under title 11 of the United States
6 Code after the date of the enactment of this Act.

7 **TITLE VIII—MEDICAL SUPPORT**

8 **SEC. 801. CORRECTION TO ERISA DEFINITION OF MEDICAL** 9 **CHILD SUPPORT ORDER.**

10 (a) IN GENERAL.—Section 609(a)(2)(B) of the Em-
11 ployee Retirement Income Security Act of 1974 (29
12 U.S.C. 1169(a)(2)(B)) is amended—

13 (1) by striking “issued by a court of competent
14 jurisdiction”;

15 (2) by striking the period at the end of clause
16 (ii) and inserting a comma; and

17 (3) by adding, after and below clause (ii), the
18 following:

19 “if such judgment, decree, or order (I) is issued
20 by a court of competent jurisdiction or (II) is
21 issued through an administrative process estab-
22 lished under State law and has the force and ef-
23 fect of law under applicable State law.”.

24 (b) EFFECTIVE DATE.—

1 (1) IN GENERAL.—The amendments made by
2 this section shall take effect on the date of the en-
3 actment of this Act.

4 (2) PLAN AMENDMENTS NOT REQUIRED UNTIL
5 JANUARY 1, 1997.—Any amendment to a plan re-
6 quired to be made by an amendment made by this
7 section shall not be required to be made before the
8 1st plan year beginning on or after January 1,
9 1997, if—

10 (A) during the period after the date before
11 the date of the enactment of this Act and be-
12 fore such 1st plan year, the plan is operated in
13 accordance with the requirements of the amend-
14 ments made by this section; and

15 (B) such plan amendment applies retro-
16 actively to the period after the date before the
17 date of the enactment of this Act and before
18 such 1st plan year.

19 A plan shall not be treated as failing to be operated
20 in accordance with the provisions of the plan merely
21 because it operates in accordance with this para-
22 graph.

1 **SEC. 802. ENFORCEMENT OF ORDERS FOR HEALTH CARE**
2 **COVERAGE.**

3 Section 466(a) (42 U.S.C. 666(a)), as amended by
4 sections 205, 207(a), 303, 705, 709, 712, and 713 of this
5 Act, is amended by adding at the end the following new
6 paragraph:

7 “(19) **HEALTH CARE COVERAGE.**—Procedures
8 under which all child support orders enforced pursu-
9 ant to this part shall include a provision for the
10 health care coverage of the child, and in the case in
11 which a noncustodial parent provides such coverage
12 and changes employment, and the new employer pro-
13 vides health care coverage, the State agency shall
14 transfer notice of the provision to the employer,
15 which notice shall operate to enroll the child in the
16 noncustodial parent’s health plan, unless the non-
17 custodial parent contests the notice.”.

18 **TITLE IX—ENHANCING RESPON-**
19 **SIBILITY AND OPPORTUNITY**
20 **FOR NON-RESIDENTIAL PAR-**
21 **ENTS**

22 **SEC. 901. GRANTS TO STATES FOR ACCESS AND VISITA-**
23 **TION PROGRAMS.**

24 Part D of title IV (42 U.S.C. 651–669), as amended
25 by section 603, is amended by adding at the end the fol-
26 lowing new section:

1 **“SEC. 469B. GRANTS TO STATES FOR ACCESS AND VISITA-**
2 **TION PROGRAMS.**

3 “(a) IN GENERAL.—The Administration for Children
4 and Families shall make grants under this section to en-
5 able States to establish and administer programs to sup-
6 port and facilitate noncustodial parents’ access to and visi-
7 tation of their children, by means of activities including
8 mediation (both voluntary and mandatory), counseling,
9 education, development of parenting plans, visitation en-
10 forcement (including monitoring, supervision and neutral
11 drop-off and pickup), and development of guidelines for
12 visitation and alternative custody arrangements.

13 “(b) AMOUNT OF GRANT.—The amount of the grant
14 to be made to a State under this section for a fiscal year
15 shall be an amount equal to the lesser of—

16 “(1) 90 percent of State expenditures during
17 the fiscal year for activities described in subsection
18 (a); or

19 “(2) the allotment of the State under sub-
20 section (c) for the fiscal year.

21 “(c) ALLOTMENTS TO STATES.—

22 “(1) IN GENERAL.—The allotment of a State
23 for a fiscal year is the amount that bears the same
24 ratio to the amount appropriated for grants under
25 this section for the fiscal year as the number of chil-
26 dren in the State living with only 1 biological parent

1 bears to the total number of such children in all
2 States.

3 “(2) MINIMUM ALLOTMENT.—The Administra-
4 tion for Children and Families shall adjust allot-
5 ments to States under paragraph (1) as necessary to
6 ensure that no State is allotted less than—

7 “(A) \$50,000 for fiscal year 1997 or 1998;

8 or

9 “(B) \$100,000 for any succeeding fiscal
10 year.

11 “(d) NO SUPPLANTATION OF STATE EXPENDITURES
12 FOR SIMILAR ACTIVITIES.—A State to which a grant is
13 made under this section may not use the grant to supplant
14 expenditures by the State for activities specified in sub-
15 section (a), but shall use the grant to supplement such
16 expenditures at a level at least equal to the level of such
17 expenditures for fiscal year 1995.

18 “(e) STATE ADMINISTRATION.—Each State to which
19 a grant is made under this section—

20 “(1) may administer State programs funded
21 with the grant, directly or through grants to or con-
22 tracts with courts, local public agencies, or non-prof-
23 it private entities;

24 “(2) shall not be required to operate such pro-
25 grams on a statewide basis; and

1 “(3) shall monitor, evaluate, and report on such
 2 programs in accordance with regulations prescribed
 3 by the Secretary.”.

4 **TITLE X—EFFECTIVE DATES**
 5 **AND CONFORMING AMEND-**
 6 **MENTS**

7 **SEC. 1001. EFFECTIVE DATES AND CONFORMING AMEND-**
 8 **MENTS.**

9 (a) IN GENERAL.—Except as otherwise specifically
 10 provided (but subject to subsections (b) and (c))—

11 (1) the provisions of this Act requiring the en-
 12 actment or amendment of State laws under section
 13 466 of the Social Security Act, or revision of State
 14 plans under section 454 of such Act, shall be effec-
 15 tive with respect to periods beginning on and after
 16 October 1, 1996; and

17 (2) all other provisions of this Act shall become
 18 effective upon the date of the enactment of this Act.

19 (b) GRACE PERIOD FOR STATE LAW CHANGES.—The
 20 provisions of this Act shall become effective with respect
 21 to a State on the later of—

22 (1) the date specified in this Act, or

23 (2) the effective date of laws enacted by the leg-
 24 islature of such State implementing such provisions,

1 but in no event later than the 1st day of the 1st calendar
 2 quarter beginning after the close of the 1st regular session
 3 of the State legislature that begins after the date of the
 4 enactment of this Act. For purposes of the previous sen-
 5 tence, in the case of a State that has a 2-year legislative
 6 session, each year of such session shall be deemed to be
 7 a separate regular session of the State legislature.

8 (c) GRACE PERIOD FOR STATE CONSTITUTIONAL
 9 AMENDMENT.—A State shall not be found out of compli-
 10 ance with any requirement enacted by this Act if the State
 11 is unable to so comply without amending the State con-
 12 stitution until the earlier of—

13 (1) 1 year after the effective date of the nec-
 14 essary State constitutional amendment; or

15 (2) 5 years after the date of the enactment of
 16 this Act.

17 (d) CONFORMING AMENDMENTS.—

18 (1) The following provisions are amended by
 19 striking “absent” each place it appears and inserting
 20 “noncustodial”:

21 (A) Section 451 (42 U.S.C. 651).

22 (B) Subsections (a)(1), (a)(8), (a)(10)(E),
 23 (a)(10)(F), (f), and (h) of section 452 (42
 24 U.S.C. 652).

1 (C) Subsections (a) and (f) of section 453
2 (42 U.S.C. 653).

3 (D) Paragraphs (8), (13), and (21)(A) of
4 section 454 (42 U.S.C. 654).

5 (E) Section 455(e)(1) (42 U.S.C.
6 655(e)(1)).

7 (F) Section 458(a) (42 U.S.C. 658(a)).

8 (G) Subsections (a), (b), and (c) of section
9 463 (42 U.S.C. 663).

10 (H) Subsections (a)(3)(A), (a)(3)(C),
11 (a)(6), and (a)(8)(B)(ii), the last sentence of
12 subsection (a), and subsections (b)(1),
13 (b)(3)(B), (b)(3)(B)(i), (b)(6)(A)(i), (b)(8),
14 (b)(9), and (e) of section 466 (42 U.S.C. 666).

15 (2) The following provisions are amended by
16 striking “an absent” each place it appears and in-
17 serting “a noncustodial”:

18 (A) Paragraphs (2) and (3) of section
19 453(c) (42 U.S.C. 653(c)).

20 (B) Subparagraphs (B) and (C) of section
21 454(9) (42 U.S.C. 654(9)).

22 (C) Section 456(a)(3) (42 U.S.C.
23 656(a)(3)).

1 (D) Subsections (a)(3)(A), (a)(6),
2 (a)(8)(B)(i), (b)(3)(A), and (b)(3)(B) of section
3 466 (42 U.S.C. 666).

4 (E) Paragraphs (2) and (4) of section 469
5 (42 U.S.C. 669).

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